





AMERICA

# ECtel chief arrested by Milan police

Simonin in Milan

State-owned telecommunications group, yesterday slid further into financial and political corruption. Salvatore Randi, managing director of its Italian manufacturing subsidiary, is currently in Milan police custody.

Mr Randi, 40, is the son of a country's leading producer of telephones and exchanges. Mr Randi's move followed the issue of a warrant for his

arrest by magistrates investigating corruption allegations over contracts from the Posts and Telecommunications Ministry.

The detention of Mr Randi follows last month's arrest of Mr Luigi Montella, managing director of Stet's Sirti network engineering subsidiary. Mr Montella and other officials of Stet subsidiaries were arrested following allegations by Mr Davide Giacalone, an adviser to Mr Oscar Mammì, a former posts minister.

Mr Giacalone's testimony, widely leaked, has given magistrates in Milan and Rome a string of new leads. These include contracts by the former state ASST telecommunications agency and the allocation of television broadcasting frequencies by the posts ministry under Mr Mammì.

Mr Randi allegedly paid L3.9bn to Mr Giuseppe Parrella, ASST's director general, detained by magistrates last month. The arrest of Mr Parrella, in connection with alleged kickbacks of about L40bn on ASST contracts

worth L2,500bn between 1987-91, was followed by that of Mr Giuseppe Lo Moro, a former assistant to Mr Parrella, now believed to have incriminated Mr Randi.

Separately, Mr Randi is believed to have contacted Milan magistrates independently before his arrest with written testimony regarding ASST contracts. Recent arrests, which include the heads of the Italian subsidiaries of the multinational Siemens and Ericsson telecommunications groups, suggest

magistrates are investigating whether bidding procedures on ASST contracts may have been rigged by leading suppliers.

Addressing Stet's annual shareholders' meeting in Turin yesterday, Mr Biagio Agnes, chairman, said: "As far as Stet is concerned, I confirm that contributions have never been given to political parties or their appendages." However, seeking to distance the group, which is widely followed by foreign investors, from its subsidiaries, he added: "For the group's subsidiaries, which are

administratively and managerially independent, we were never aware of irregular situations and we never received such signs even in these last turbulent months."

Mr Agnes said the arrests of senior executives had prompted him to commission an audit of the group and its subsidiaries.

He gave no indication of when the results would be known but said he retained full confidence in the group's management "until the opposite is proven".

THE IDEA of a special autumn EC summit to discuss implementing the Maastricht treaty received the backing yesterday of Mr Hans van den Broek, European commissioner for external political relations.

Speaking in London, he said such a meeting would provide "new and credible impulses for carrying out and bringing forward the integration process".

The proposal was made on Wednesday by six Christian Democrat leaders, headed by Chancellor Helmut Kohl. The idea of calling a special summit to mark the ratification of the Maastricht treaty fits in with the German chancellor's desire to revive popular enthusiasm for the Community and give it "a special push ahead".

One idea which could be explored is the possibility of bringing Austria, Finland, Norway and Sweden into the Community before the end of 1995, as currently planned.

A second theme would be to offer a better deal to eastern European countries whose full EC membership is a much more distant prospect.

Yesterday, Mr van den Broek said he was optimistic that the regular six-monthly EC summit to be held in Copenhagen later this month would endorse Commission proposals for further liberalisation of trade with central and eastern Europe.

The measures are due to be discussed by EC foreign ministers in Luxembourg on Tuesday.

As for the suggested special summit, there is some doubt in Bonn whether it should try to

## Special EC summit idea takes shape

By David Marsh, European Editor, in London and Quentin Peel in Bonn

settling the thorny problem of sitting new EC institutions, in particular the European Monetary Institute. It would require tough negotiations, particularly between Germany, which wants the EMU in Frankfurt, and Britain, which would prefer any other site.

Such haggling would be out of keeping with an optimistic, smiling summit, which is clearly what Mr Kohl wants. Just when a summit could be called depends not only on the British parliament, but also on the German constitutional court, which is considering a series of legal challenges to ratification of the Maastricht treaty.

The court is expected to hold its oral hearing into the complaints by the end of June. Mr Kohl hopes that a final decision will come before the summer recess, but other officials are more cautious, suggesting that it may not be ready until mid-September, or even early October.

That would still allow the special summit to be held by the end of October.

The incoming Belgian presidency of the EC yesterday declared its determination to set up the European Monetary Institute on schedule by January 1, 1994 - the start of the second stage of European monetary union, Lionel Barber adds from Brussels.

In a speech in Brussels, Mr Philippe Maystadt, Belgian finance minister, called upon EC member states to make the process toward EMU irreversible. Failure to do so would encourage currency speculators, he said.

Federalist-minded Belgium takes over the presidency from Denmark on July 1.

## Debt write-off delayed by legal and industry support problems

# Klöckner plan puts Brussels through mill

By Andrew Hill in Brussels

TECHNICAL and legal difficulties are holding up formal European Commission approval of a 40 per cent debt write-off at Klöckner-Werke, the German steel group.

The Commission has decided in principle to forgive part of the EC's DM175m (€11m) loan to Klöckner, which has filed for protection from its creditors. But it wants cast-iron guarantees from the German company that it will reduce capacity.

Approval by Brussels would allow a debt rescheduling deal to go ahead at Klöckner, involving the write-off of loans worth a total of DM1.4bn. But the Commission has run up against German rules which prevent creditors imposing legally binding conditions on such debt rescheduling plans.

The Commission is also in the difficult position of trying to fit its decision on Klöckner into an overall plan to support the whole EC steel industry.

On the one hand, Brussels has come under attack for granting a reprieve to the German steel group at a time when the rest of the industry is suffering from overcapacity.

In particular, publicly-owned Italian or Spanish steel producers - which are being asked to sacrifice capacity if they want to receive state aid - say Klöckner is getting off lightly.

On the other hand, German steelworkers blame the problems at Klöckner and the collapse last month of Saarstahl, a French-owned steelmaker in the depressed German Saarland, on the EC's failure to get tough with Italy and Spain.

Commission officials say an inflexible approach to the Klöckner case - demanding the recovery of the entire DM175m loan - could have provoked outright bankruptcy.

The Commission would have failed in its duty to recover the Community taxpayers' loan to the company and another producer could then have bought the company for a pittance and returned it to full production, free of debt.

By contrast, officials say, the deal now awaiting the Commis-

sion's rubber-stamp leaves the German company with a tolerable level of debt, and is tied to legally-binding, irreversible capacity cuts. Both factors ought to prevent Klöckner from exploiting its narrow escape from bankruptcy and upsetting the delicately balanced overall steel restructuring plan.

The survival of Klöckner may even prompt further rationalisation. Thyssen and Krupp-Hoesch, Germany's largest steel producers, want to take over Klöckner's cold rolling mill in Bremen together with a consortium of European steelmakers.

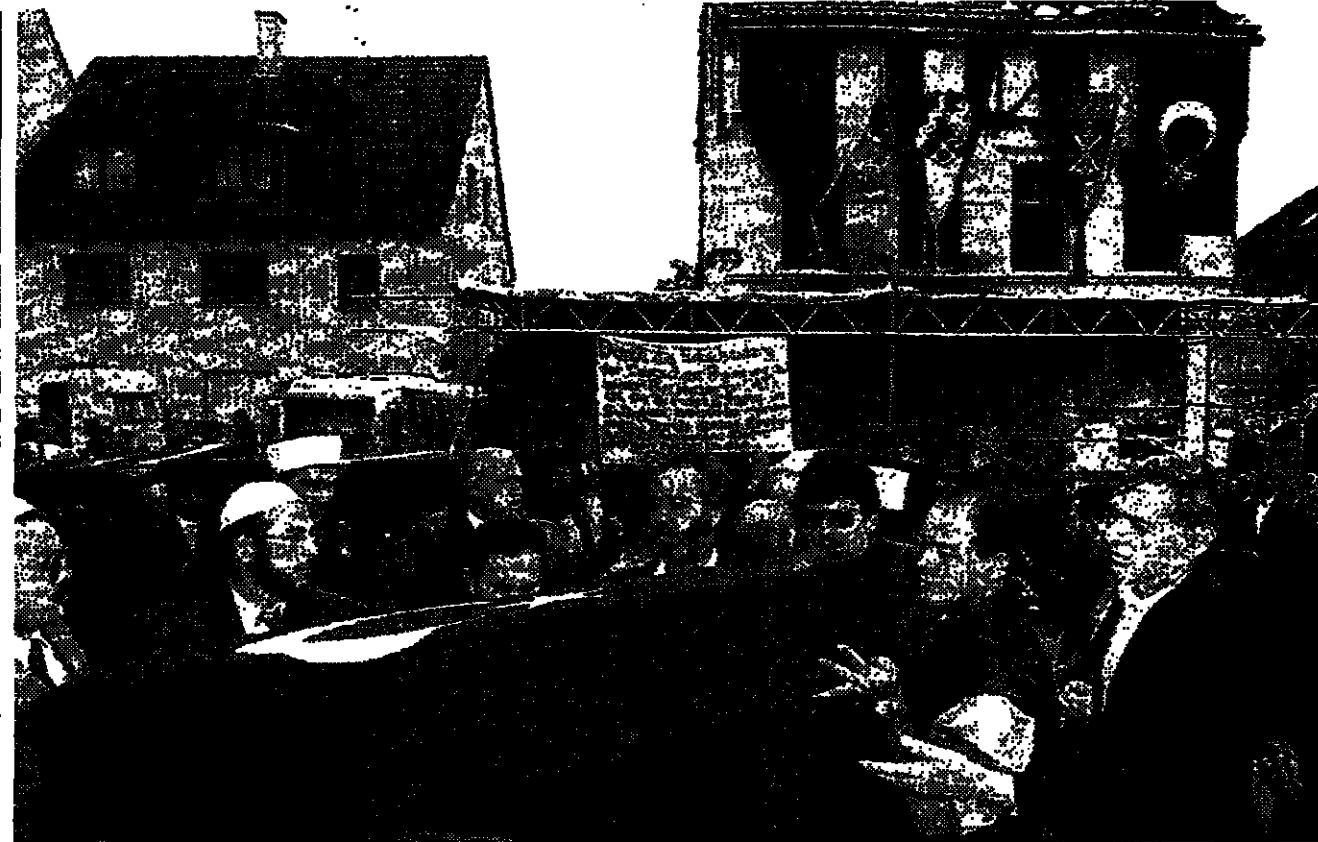
The Commission and its potential partners from the private sector have an interest in nudging Klöckner towards wider-ranging restructuring which might involve the break-up of the company and possible closure of some hot-rolling capacity. Hot-rolled products account for 80 per cent of Klöckner's production, but this is the sector where EC overcapacity is at its worst.

Officials say it is "totally ridiculous" to compare Klöckner's debt write-off with state aid plans by Rome and Madrid. In fact, a rough comparison between the total debt write-off at Klöckner, and the estimated state aid at Thyssen, the Italian steelmaker, indicates that the trade-off between cash and cuts is similar.

But the Commission is clearly worried that any hint of leniency in the Klöckner or Saarstahl cases could be latched on to by Italy and Spain at a special meeting of industry ministers next month in an attempt to force EC approval of their sensitive steel aid-and-restructuring plans.

Indeed, the Commission already seems resigned to losing its DM100m loan to Saarstahl, rather than allow the Saarland regional government to prop the company up with subsidies.

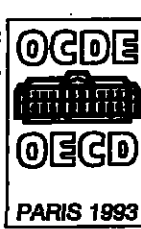
"One point is absolutely clear," says one Brussels official. "The Commission will be extremely reluctant to envisage any sort of public aid in this case."



COFFINS of five Turks killed in a racist attack in Solingen, Germany, are carried yesterday in front of their burnt-out house. Several thousand people gathered in front of Cologne's largest mosque to mourn their deaths, writes Ariane Genillard. Addressing the crowd, President Richard von Weizsäcker - Chancellor Helmut Kohl stayed away - called on Germany's 1.8m Turks to be granted dual citizenship. "They live under the laws of the German state but, unlike other citizens, have no influence on it. Should this always remain?" the president asked. "We do not want to stamp as foreigners those who for years and decades have proven that Germany is also their home." The president also clearly pointed to political motivations behind the series of racist attacks.

## OECD to open its doors to Mexico

By Peter Norman in Paris



PARIS 1993

THE world's leading industrial countries yesterday decided to allow Mexico to join the Organisation for Economic Co-operation and Development (OECD), in a move that will expand the membership of the "rich nations club" for the first time in 20 years.

The announcement, coming at the end of a two-day ministerial meeting in the French capital, added an upbeat note to proceedings that had already received a boost from progress towards completing the long stalled Uruguay Round of multilateral trade negotiations.

These two events offset in part the gloom caused by the continuing rise in unemployment in the organisation's 24 member-nations towards a forecast 36m by the end of this year.

The ministers "invited"

Mexico and the OECD to examine "with Mexico the terms and conditions of its membership with a view towards early entry".

According to Mr John Dawkins, the Australian treasurer who chaired the meeting, Mexico could be the 25th OECD member state in 12 to 18 months.

The OECD also held out the prospect of South Korea becoming a member at a later date, to be followed at some point further in the future by Hungary, Poland and the Czech Republic.

Mexico's application for membership was supported strongly by the US and Canada and came after the rejection of a move by Germany to accelerate the entry of the east European countries into the organisation.

The meeting also recommended a catalogue of macroeconomic, structural and labour market policies to encourage non-inflationary growth and ease unemployment.

However, Mr Dawkins acknowledged that "nobody suggests it [cutting unemploy-

ment] will be easy or the remedies quick".

He said, nevertheless, that the determination shown by the OECD countries to complete the Uruguay Round by the end of this year should boost business confidence.

According to Mr Peter Cook, the Australian trade minister, the communiqué contained "probably the strongest commitment yet" of the OECD countries to completing the round and was a reflection of their "steely determination" to have an agreement by the year's end.

## Concern over growth and unemployment

This is the preamble to the communiqué issued by the OECD after its annual meeting which ended in Paris yesterday.

MINISTERS addressed the need to restore strong, sustained growth with improved employment prospects; they agreed on collective action to meet the major challenges facing their countries. They are deeply concerned that growth in the OECD area is insufficient and that unemployment continues to rise in most countries. To cope with these problems they are resolved to take additional action to improve both macroeconomic and structural policies and to extend international co-operation, in particular by

strengthening the open multilateral trading system.

Ministers are committed to a concerted strategy for growth and employment. It consists of the following planks:

- monetary and fiscal policies will exploit the opportunities that may exist - without jeopardising the objectives of price stability and medium term budget consolidation;
- structural reform policies, including labour market policies, will aim for vigorous, competitive and efficient development of OECD economies, exploiting opportunities offered by technological progress and open international competition;
- intensive efforts will be made to con-

tribute to liberalise trade, to abide by and further strengthen multilateral disciplines and, as the first priority, to achieve a substantial, comprehensive and balanced outcome of the Uruguay Round by the end of the year - which would be a very powerful contributor to bolstering confidence, growth and employment both in OECD members and elsewhere.

In pursuit of this strategy, effective support will be given for the progressive integration of all countries into the world economy; this will include the concerted international effort to support the economies in transition, in particular Russia, and developing countries.

Ministers underline the particular relevance of the OECD and of the basic values its members hold in common: respect for human rights, pluralist democracy and the market economy. They appreciate its working methods and its multi-disciplinary character, as exemplified by the study under way on employment/unemployment. They call on the organisation to continue to build on its strengths and on the collective wealth of its member countries' national and regional economic, social and cultural experiences to further develop common approaches in order better to meet the challenges of a fast-changing world and to foster worldwide sustainable development.

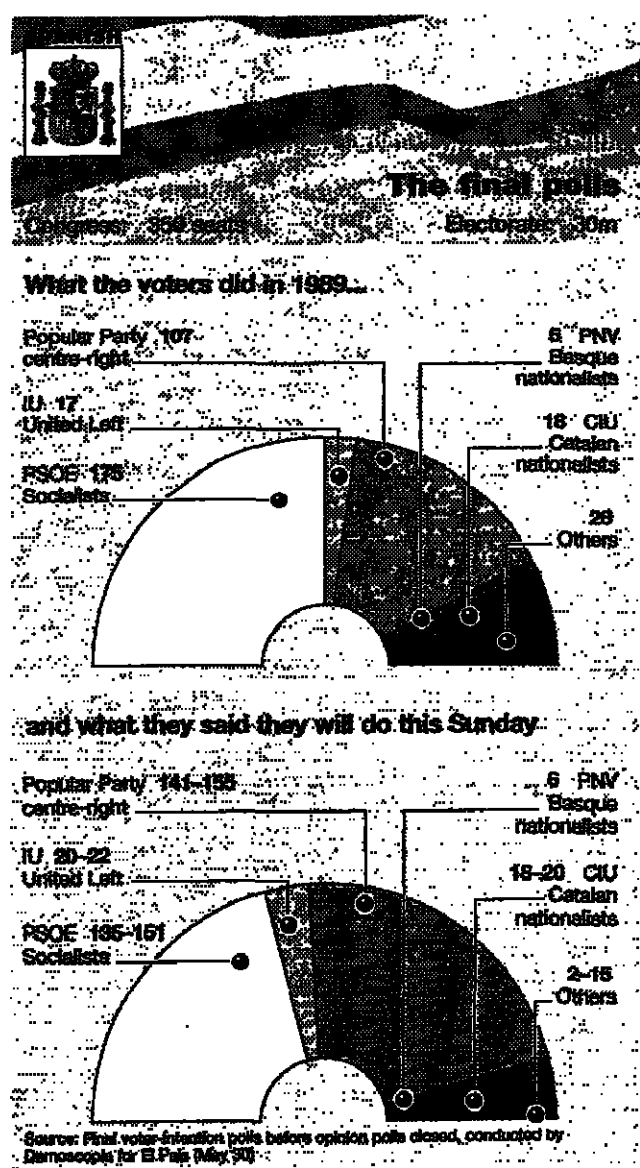
## Strike call at Bank of France

By David Buchanan in Paris

UNIONS representing most of the Bank of France's 17,189 employees have called a one-day strike next Tuesday. It is in support of demands for guarantees that the central bank's activities will not be cut back once it gets autonomy in monetary policy-making.

The unions said they had nothing against Mr Jacques de Larosière, the bank's governor, who fought off Treasury pressure for commercial bank regulation to be transferred from the central bank to a new body. But, a union spokeswoman said, "we only have oral assurances [about maintaining the scope of the bank's activities] from the governor, who himself only has oral assurances from the government and the Treasury".

Amendments to the government's draft bill to make the bank independent in setting monetary policy - as eventually required by the Maastricht treaty - have been proposed by the unions. They are intended to bolster the central bank's monopoly in printing the nation's money, lay down that one of the two deputy governors be chosen from within the staff, and endorse its role in keeping financial data on all French companies.



## A saviour comes to Valencia

Peter Bruce hears Aznar tell 30,000 people what they want to hear: it is all right to be conservative in Spain

THIRTY thousand people pushed and shoved to get inside the grand old building in the middle of Valencia. A third never made it and stood cheering outside. It was the biggest rally of the Spanish election campaign. The air throbbed with the party anthem.

When José María Aznar entered the arena, his bodyguards struggling to stop screaming supporters mobbing him, the roar was so loud the place shook. "Pre-si-den-te!", they shouted. "Pre-si-den-te!"

The welcome was both uplifting and frightening. Here was a mild and ordinary man, leader of the centre-right People's party (PP) and favourite to win the election on Sunday, being embraced and hailed as if he were a saviour.

There was change in the air in Valencia on Wednesday night. In the great Left-Right see-saw of Spanish politics, the Right are coming back. "Vamos a ganar," the crowd shouts, "vamos a gobernar." We are going to win, we are going to govern Valencia, once a Socialist redoubt, will be taken by the PP.

The crowd is warmed up by the mayor, Mr Efraim Barberá, who attacks the Socialists for building a high-speed train line

to Seville not to Valencia. "And," she says, "because of the negligence of Felipe González, Valencia missed out on two big projects - Euronews and Eurodisney." Not everyone understood but they roared all the same.

Former French president Valéry Giscard d'Estaing, got up to "give testimony of my friendship, solidarity and

high through the big gate".

Then Mr Aznar strode on to the platform to the PP anthem and 30,000 Valencians chanting *Tore-re-re, to-re-re*.

He spoke for about 45 minutes. The speech, devoid of policy content, was perfect for the occasion and Mr Aznar has become good at it. Over and over, he finds ways to repeat his same message - the Social-

ists are corrupt, inefficient, wasteful. Socialism is dead.

But he is quickly back on the attack. "Why were the Socialists in France kicked out of power?" he asks. "For unemployment and corruption. And why are they going to be kicked out here? For unemployment and corruption." Down below with the guests, Mr Giscard applauds.

"I want more jobs, more businesses, more competitiveness, more productivity," Mr Aznar says. "We need austerity, not waste; jobs, not a government that brags about how well it looks after the jobless."

He apologises for having to stop. He is tired. He promises to come back when he is "president" (of the government).

He walks, or is shoved, around the ring, shaking hands. On the podium, his wife, Ana, is autographing flags and hands. People walk away from her with their faces illuminated as if by a spiritual experience.

## Over and over, he finds ways to repeat his same message - the Socialists are corrupt, inefficient, wasteful. Socialism is dead.

esteem to Spain, the People's party and José María Aznar.

The crowd became a bit irritable with Mr Giscard's poor Spanish but he ended well, comparing his presence with the *alternativa* - a bullfight's first real fight, where the novice is given the first bull of the evening. This is always "confirmed" by a fight in Madrid.

Mr Aznar's *alternativa* would be confirmed in Madrid on Friday (Mr Aznar's last rally), and on Sunday in all of Spain. He will be carried out shoulder

ists are corrupt, inefficient, wasteful. Socialism is dead.

He had been in Brussels at a meeting of centre-right leaders. "All of them," he cries, "from Chancellor Kohl to (a tiny pause) the Belgian prime minister want a PP victory."

Cadence is everything in the Aznar speech. When he raises his voice, they cheer, and they have come to cheer. They want to hear someone tell them it is all right now to be a conservative in Spain and that "their" time has come again. The faces

## Inquiry to probe ship collision

By David Lascelles, Resources Editor

AN official inquiry is to be launched into the tanker collision off the Belgian coast which killed nine people early yesterday morning and brought renewed calls for greater safety at sea.

British Petroleum, the tanker's owner, will conduct a separate investigation.

The British Trent, leaving Antwerp with a 24,000 tonnes cargo of petrol, collided with the Panamanian-registered bulk carrier Western Wimmer in thick fog eight miles off the coast. The tanker's hull was punctured, releasing blazing petrol into the sea.

Although many crewmen swam to safety, seven were burned to death and two are missing, believed dead. Parts of the tanker, towed away from the coast, continued to burn.

Petrol was still leaking into the sea, prompting environmental concerns. But BP said the risk of further damage was slight because the petrol would burn off or evaporate.

The Bermuda-registered British Trent had 12 European officers, including a British master, and 17 Sierra Leonean crew. There were also five cadets and two wives on board.

The inquiry is bound to focus on how the ships managed to collide even though they both had sophisticated radar equipment.

The disaster occurred only nine days after the London-based International Maritime Organisation backed proposals for improving safety in response to the rising number of tanker accidents.

THE FINANCIAL TIMES  
Published by The Financial Times  
(Europe) GmbH, Nibelungenplatz 3,  
6000 Frankfurt am Main 1, Germany.  
Telephone 49 69 15 15 15 15  
3964481, Telex 416193. Represented by  
Edward Hugo, Managing Director.  
Printer: DVM Druck-Vertrieb  
Marketing GmbH, Adminal-Rosenfeld-  
Strasse 3a, 60789 Neu-Isenburg 4 (owned  
by Hariver International).  
Responsible Editor: Richard Lambert,  
c/o The Financial Times Limited,  
Number One Southwark Bridge,  
London SE1 9HL, UK. Shareholders of  
The Financial Times (Europe) GmbH  
are: The Financial Times (Europe) Ltd,  
London and F.T. (Germany)  
Advertising Ltd, London. Shareholder  
of the above mentioned two companies  
is: The Financial Times Limited,  
Number One Southwark Bridge,  
London SE1 9HL. The company is  
incorporated under the laws of England  
and Wales. Chairman: D.C.M. Bell.  
Publishing Director: J. Roley, 168 Rue  
de Rivoli, F-75004 Paris Cedex 01.  
Telephone (01) 4297-0621, Fax (01)  
4297-0622. Editor: S.A. Nord, Editor,  
1521 Rue de Chateaufort, 1000 Brussels.  
Cedex 1. Editor: Richard Lambert.  
ISSN: ISSN 1148-2753. Commission  
Paritaire No 676002.  
DENMARK  
Financial Times (Scandinavia) Ltd,  
Hindsgade 42A, DK-1161  
Copenhagen K. Telephone: 33 14 44 41,  
Fax 33 95 53 35.

Serb  
move  
oppo

Ukrain  
urged  
Start

Dublin  
tax am



## Serb leaders move to ban opposition

By Karin Hope in Belgrade

SERBIAN authorities yesterday moved against the country's democratic opposition, seeking a ban on the Serbian Renewal Movement (SRP) of Mr Vuk Draskovic.

The Belgrade prosecutor asked the constitutional court to ban the SRP, on the grounds that it had "violently instigated the overthrow of constitutional order".

The request, coming two days after police forcibly broke up an anti-government demonstration, signalled that Mr Slobodan Milosevic, the Serbian president, intends to clamp down heavily on the opposition.

Earlier in the day Mr Draskovic, the SRP leader, was taken from police headquarters to a Belgrade prison.

A party spokesman said that lawyers had been unable to contact Mr Draskovic, who was badly beaten after being arrested on Wednesday. His wife, Danitsa, was also detained.

However, 20 other members of his Serbian Renewal Movement, also arrested when police broke into the party's headquarters, were released.

Mr Draskovic was leading a demonstration protesting at the dismissal of Mr Dobrica Cosic, the federal president, in a parliamentary vote of no confidence.

Mr Cosic broke his silence after the demonstration, accusing his former political ally, Serbian President Slobodan Milosevic, of

UNITED Nations sanctions against Serbia and Montenegro are now being successfully enforced on the Danube, Mr Douglas Hurd, the British foreign secretary, said yesterday after visiting Romania and Bulgarian river ports, writes Virginia Marsh in Ruse, Bulgaria.

"The checks on documentation at different points do in effect prevent illegal traffic. The river is greatly improved," he said.

However, British officials travelling with Mr Hurd said the embargo was still not tight enough at land crossings, especially in Macedonia.

Mr Hurd, who is on a four-day visit to the Balkans, said Britain would provide three of the eight patrol boats which the Western European Union agreed last month to deploy on the Danube in Bulgaria, Hungary and Romania. The WEU aims to have the boats, as well as 300-400 police and customs officials, monitoring the Danube by the end of the month.

"tyrannical behaviour." "What happened in the federal parliament was a classical Stalinist act, bounding the president out of office through slander," Mr Cosic said in a written statement.

He said Mr Milosevic had distorted an account of a routine meeting with the army leadership.

Mr Cosic was accused in parliament by members of Mr Milosevic's Serbian Socialist Party of planning to overthrow the government.

## Swiss pacifist sentiments put to the test

Ian Rodger considers the key issues in Sunday's referendum on defence requirements

IN MOST western countries, defence ministry experts are still struggling to assess their future needs in the light of the end of the cold war.

In Switzerland, where direct democracy is a way of life, the people will decide in two national referendums this Sunday on the purchase of new fighter aircraft for the air force and the allocation of land to the army for training purposes.

Of course, a large proportion of the voters has a special knowledge of, and interest in, the issues: every able bodied adult male serves in the country's militia army for an average of three weeks every two years until he is 50.

If the votes had been held a few months ago, there is little doubt that pacifist sentiment would have carried the day.

It was only a year ago that the Group for a Switzerland without an Army (GSoA) whipped up nearly 300,000 signatures in only 12 days - a record - for its petition to block the government's plan to buy 34 McDonnell-Douglas F/A-18 fighters for Sfr3.5bn (£1.6bn).

"The dangers facing Switzerland now are above all economic, social and ecological," said Mr Andreas Gross, the

soft-spoken socialist parliamentarian who heads the GSoA. "We cannot be threatened militarily except in the context of a European war, and that is implausible," he claimed.

It was a beguiling argument at a time when the country was in recession, government deficits were ballooning and the collapse of the Soviet threat made the traditional Swiss policy of heavily armed neutrality look obsolete.

And the GSoA was thrilled to have an unexpected opportunity to build on its moral victory in a 1989 referendum. Then, to the shock of the military establishment, a GSoA plebiscite calling for the abolition of the army was supported by a third of those voting.

However, with the fighting in Bosnia veering out of control and unnerving racial strife springing up in neighbouring Germany, voter sentiment appears to have changed.

Recent polls indicate that a narrow majority of Swiss are probably inclined to agree with their political and military leaders that, as in the past, it would be wise to be prepared for any eventuality.

"At the moment, no one threatens us directly," says Mr Jean-François Leuba, a Liberal parliamentarian. "But the situ-



The Swiss people will also vote on the sensitive issue of allocation of land to the army for training

ation can change very rapidly. Who would have imagined that Britain and Argentina would have fought over the Falklands? Nobody foresaw the fall of the Berlin wall or the war in Yugoslavia."

The debate in the run-up to Sunday's votes has been typically Swiss - gentlemanly and

thorough. The pacifists have argued that no airborne threat could get to Switzerland without having first to pass through allied countries. The military chiefs warned against relying on allies to provide cover and policing of the skies.

"If we do not defend our air space, Nato will," predicts

Commandant de Corps Fernand Carrel, head of the air force. "And it will do so without taking our interests into account," he adds.

Neither side appears to have seriously dented the convictions or the credibility of the other, but that is perhaps in the nature of the subject.

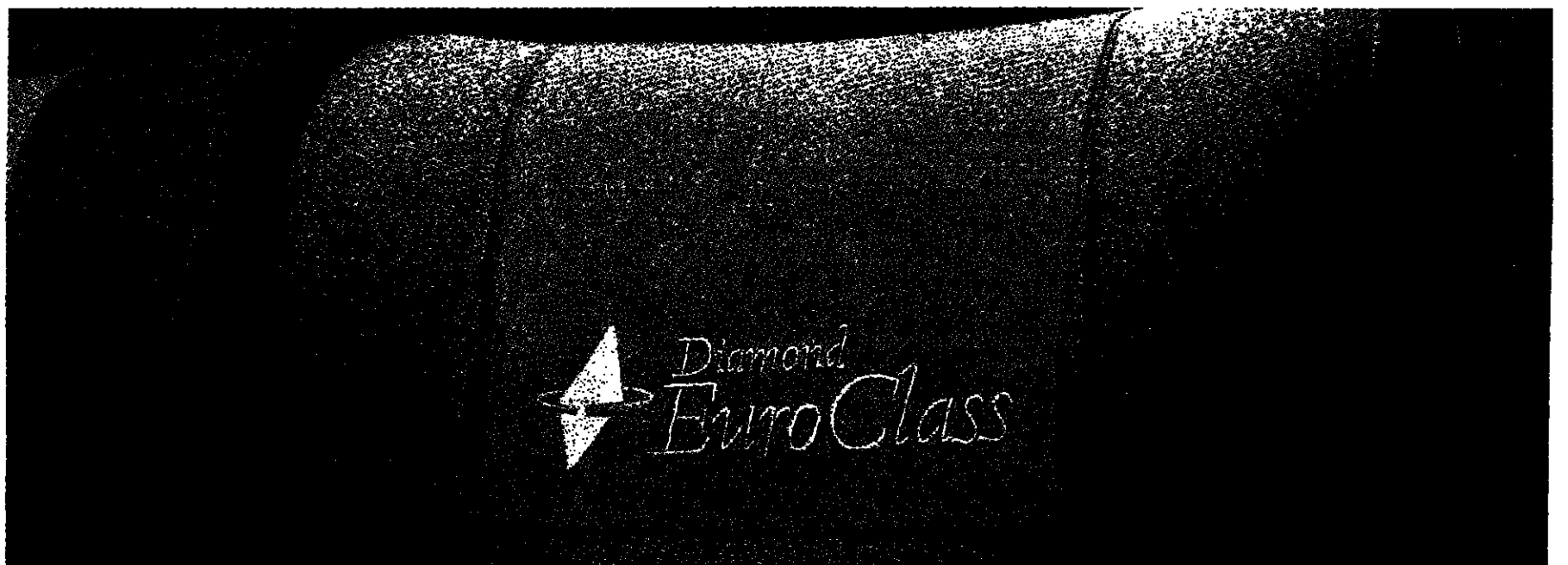
If the votes do go narrowly in favour of the military, the GSoA will be blamed for having exaggerated the terms of its petition. Not content with simply seeking to veto the F/A-18 purchase, it added a clause that would put a moratorium on any fighter purchase until the year 2000.

This has frustrated a large number of Swiss who support the principle of a credible air force but doubt the wisdom of buying a very expensive fighter that is unlikely to be able to avoid crossing an international border within only a few seconds of taking off.

Mr Gross denies that the wording of the petition was part of the GSoA's strategy gradually to kill off the army by a thousand tiny cuts. Rather, he says disingenuously, it was to prevent the military from rushing into an alternative aircraft purchase without a full evaluation.

Whatever the outcome, the Swiss will have more opportunities to vote on military matters. The GSoA has petitions in the works to halve annual military spending, now the largest in Europe at Sfr750 per capita, to reduce the number of air force airports and to eliminate the special tax on those who do not serve their time.

## First choice for European Business Class.



## Frankfurt, Amsterdam, Paris, Brussels, Dublin, Nice, Palma.

The launch of Diamond EuroClass - depending on your requirements.

Class has established British Midland as the first choice for European Business Class travellers when it comes to service and value.

Because British Midland is the first and only airline to offer a real choice of Business Class fares, and real savings on all of its European routes all of the time.

You can choose between three types of fares - a fully flexible Executive Fare, our innovative 3 Day Executive Return and Eurobudget

All three fares give Business Class passengers top class in-flight service, plus advanced seat assignment, priority check-in and priority disembarkation. And all three save you serious amounts of money. For example, you can save up to £125 to Frankfurt and as much as £138 to Paris.

Just what you'd expect from the only airline that is genuinely committed to delivering top class business travel at realistic fares.



From	EuroClass Executive Return	EuroClass 3 Day Executive Return	EuroClass Eurobudget
Heathrow	Return	Return	Return
To:	Saving	Return Saving	Saving
AMSTERDAM	£70	£75	£84
BRUSSELS	£66	£76	£106
PARIS	£78	£93	£138
FRANKFURT	£34	£98	£125
DUBLIN	£48	£86	£83
NICE	£126	£172	£212
PALMA	£98	£134	£194

Compared to full Business Class return fares.

**British Midland**  
THE SERIOUS ALTERNATIVE  
For further information contact your travel agent or phone 0248 844222 ext 4444

## Inquiry to probe ship collision

By David White in Resources Editor

AN inquiry into the collision between the British ship *MS Herald of Free Enterprise* and the Dutch ship *MS Amsterdam* is being launched by the Dutch government.

The inquiry will be led by a Dutch judge and will examine the circumstances of the collision, which occurred on March 6, 1990, in the English Channel. The *Herald of Free Enterprise* was carrying 195 passengers and crew when it collided with the *Amsterdam*, which was carrying 100 passengers and crew.

## hey in

THE Irish government is to press ahead with a controversial tax amnesty bill, which will permit tax evaders to repatriate funds held abroad or in non-resident accounts in Ireland, by paying only a 15 per cent levy in settlement of any outstanding, but as-yet undeclared tax liabilities prior to April 1993.

The proposal has encountered intense criticism from opposition parties and trade unions as well as discomfort among the cabinet and on the coalition backbenches for being too lenient. Self-employed and non-PAYE higher rate taxpayers who will be the main beneficiaries of the amnesty, will effectively pay less than a third of the original tax liability occurring on previously undeclared income.

The government, however, believes that as much as £2bn (£1.9bn) could be repatriated to Ireland by the measure, further improving liquidity and lowering interest rates, and giving a much-needed boost to economic activity and employment prospects.

## Ukrainian MPs urged to ratify Start 1 treaty

By Chrystia Freeland in Kiev and agencies

SENIOR Ukrainian leaders yesterday urged MPs to ratify the Strategic Arms Limitation Treaty (Start 1) on nuclear disarmament on the first day of what is likely to be a protracted parliamentary debate of the issue.

The US, which has become increasingly concerned about Kiev's failure to fulfil its pledge to ratify the arms pact, is likely to take heart from the Ukrainian leadership's strongly anti-nuclear stance and from the fact that parliament has finally begun to discuss the Start 1 agreement and the nuclear non-proliferation treaty.

But they could be concerned at reported remarks by Prime Minister Leonid Kuchma to a closed parliamentary session, in which he said that Ukraine should declare itself a nuclear state and temporarily keep a part of the former Soviet nuclear arsenal, according to

deputies attending the meeting. Ukrainian government officials emphasised that the treaties will only be put to a vote after extensive parliamentary debate.

Judging by the overwhelmingly hostile reaction of MPs to the government's position, Ukrainian officials face an uphill battle.

Western leaders are worried that Ukraine's hesitation to ratify the Start 1 treaty and the associated Lisbon protocol, which would remove all nuclear weapons from Ukrainian territory, and to accede to the NPT as a non-nuclear state, could undermine the international disarmament process.

"Ukraine is acquiring an image as an unreliable partner in international relations," Mr Anatoli Zlenko, foreign minister, told MPs, urging them to ratify the treaties.

"There is no doubt that reaction in the West will be decisive in any attempt by Ukraine to become a nuclear state," he said.

## Dublin to press tax amnesty bill

By Tim Coone in Dublin

THE Irish government is to press ahead with a controversial tax amnesty bill, which will permit tax evaders to repatriate funds held abroad or in non-resident accounts in Ireland, by paying only a 15 per cent levy in settlement of any outstanding, but as-yet undeclared tax liabilities prior to April 1993.

The proposal has encountered intense criticism from opposition parties and trade unions as well as discomfort among the cabinet and on the coalition backbenches for being too lenient. Self-employed and non-PAYE higher rate taxpayers who will be the main beneficiaries of the amnesty, will effectively pay less than a third of the original tax liability occurring on previously undeclared income.

The government, however, believes that as much as £2bn (£1.9bn) could be repatriated to Ireland by the measure, further improving liquidity and lowering interest rates, and giving a much-needed boost to economic activity and employment prospects.

Senior officials in the Revenue Commissioners and the Finance Ministry are believed to have advised against the proposal, concerned that the amnesty, the second on income

tax in five years, will encourage future non-compliance. The previous amnesty netted £500m. Mr Bertie Ahern, the finance minister said in the Dail (parliament) this week that the amnesty will be balanced with a similar amnesty for those working but claiming social welfare, and by harsh penalties including imprisonment for future tax offenders.

Legislation to effect the proposal will be presented to the Dail within two weeks, according to the Finance Ministry, and is expected to be on the statute books before the summer recess.

In another development, the government's taxation policy has been sharply criticised by the Central Bank, which in its annual report published yesterday said that "a significant part" of the rise in Irish unemployment in the 1980s "was due to factors within the control of the authorities".

Most important of these was "the worsening of the tax wedge - the difference between the gross cost of labour to the employer and the employee's take-home pay". The Bank says that there is a need for tax reform "to stimulate the demand for labour and to improve work incentives".

The report also predicts that Irish gross national product will grow by 2 per cent in 1993.



## NEWS: THE AMERICAS

## US coal strike targets Peabody

By Laurie Morse  
in Chicago

THE United Mine Workers of America expanded its selective strike against US coal operators yesterday, stopping work at Peabody Coal mines in Illinois, Indiana, West Virginia and Ohio. Peabody, the largest coal producer in the US, is a subsidiary of Hanson of the UK.

The union also ordered workers at four mines owned by Consol Energy, which is jointly owned by DuPont and Ger-

many's Rheinbraun, to join picket lines.

The strike began on May 10 when national contract negotiations broke down between the union and mine owners represented by the Bituminous Coal Operators' Association.

The dispute is far from shutting down US coal operations. Following yesterday's action, 9,200 UMW members are on strike, leaving more than 50,000 still working. The union's workers control only 28 per cent of US coal output nationwide, with the BCOA

companies producing about 17 per cent of US coal, mostly in eastern and mid-western states.

While the percentage of nationwide production under the union's workers is small, coal operations are regional, with customers such as electricity utilities dependent on cheap local sources of coal.

Utilities in strike-hit regions have ample coal supplies, but may have to switch to other fuel sources if the dispute drags on, analysts say. The union is seeking greater

job security for its members and has accused BCOA companies of evading agreements by using non-unionised subsidiaries to open new mines. It believes that a 1988 agreement with the BCOA guarantees union jobs in new mines.

Mr Thomas Hoffman, a BCOA spokesman, said the union's demands were unreasonable.

"Nobody these days is going to guarantee jobs," he said. The coal operators had offered the union three out of five new jobs at new mines once 40 per

cent of the workforce had been hired.

Mr Hoffman said there had been no talks between the two sides since the strike began, and none was scheduled.

Mr Richard Trumka, UMW president, said the BCOA's latest offer "represents an even further pulling back on their commitment to workers."

A union appeal for international support met some success this week when 1,000 miners at Peabody mines in Australia went on strike in sympathy with the UMW.

## Civil rights nomination places Clinton in 'lose-lose' dilemma

THESE cannot have been the happiest days in the life of Ms Lani Guinier. She spent most of Wednesday talking to leading newspapers and appearing on television making an articulate case for her qualifications as the new assistant attorney general in charge of civil rights. She woke up yesterday to a united media chorus proclaiming that President Bill Clinton had concluded that her nomination would have to be withdrawn.

Mr Clinton, who badly needs to win some battles, seems to have come round to the view that her nomination had put him in a "lose-lose" position and it was merely a matter of settling on the least bad political option. Either way, his White House is again under fire for bad judgment and political mismanagement.

A series of recent actions, exemplified by the recruitment to the White House of Mr David Gergen, the former adviser to Republican presidents, suggest a shift back to the political center. But sacrificing well known beliefs, including a very progressive record on civil rights, has an awful air of expediency about it.

There is also a personal element to the controversy. Ms Guinier went to Yale Law

## Lani Guinier has been left out to dry by the White House, writes Jurek Martin

School with the president and his wife and became quite close to Mrs Hillary Rodham Clinton. They attended her small private wedding in 1986. Their general commitment to civil rights certainly matched hers, if not, as Mr Clinton insists, down to the fine print of all her writings.

It is hard to argue against the proposition that Ms Guinier was left out to dry by the White House. There were plenty of early warnings in the conservative media, especially Wall Street Journal editorials, that her long academic paper trail was stirring up opposition, with accusations that she was a "quota queen" intent on abandoning the principles of majority rule for complex proportional formulae.

Comparisons were freely made between her case and that of Mr Robert Bork, the conservative academic denied a Supreme Court seat by the Senate in 1987. In both instances opponents have targeted their real or imagined

radicalism and ignored their intellectual qualities.

Yet the White House did not press her case, as the Reagan administration did Mr Bork's, until the bitter end. It did not smooth her path by arranging necessary preliminary meetings with swing senators. Perhaps too conscious of the controversy surrounding the recent confirmation of the housing department of Ms Roberta Achenberg, who is openly lesbian, it allowed Ms Guinier's critics, who scented blood, to call the tune.

Mr Clinton himself came close to pulling the rug on Wednesday with the most tepid of endorsements. Yet earlier in the week, Ms Janet Reno, the attorney general, had typically stood solidly behind Ms Guinier as "a superb choice". Not for the first time, communications between the White House and justice department seemed lacking.

Senator Joseph Biden, chairman of a finely divided judiciary committee, is known to

have been worried that another black woman would be subject to the sort of public trial visited on Professor Anita Hill in the hearings on the nomination of Judge Clarence Thomas to the Supreme Court.

But Ms Guinier insisted on Wednesday that, like Mr Bork, she at least should be given the congressional forum to explain herself. She maintained, with some force, that the often dense and theoretical nature of academic writing was no foolproof guide to the practical implementation of the laws of the land, with which, as a past legal counsel to the National Association for the Advancement of Colored People (NAACP), she also had considerable familiarity.

But the painful choice has come down to this: to abandon Ms Guinier, offending his liberal political supporters and fostering the impression that he backs down in the heat of battle, but hoping that Ms Guinier, like Ms Zoe Baird, the first attorney general nominee, is quickly forgotten; or to stick with her, as a friend whose views on civil rights are not far from his own, but thus risk a bruising public debate at precisely the time he needs to focus on winning the backing of the centre for an acceptable budget package.

## China to act on illegal emigrants

THE US Coast Guard intercepted two boats trying to smuggle 270 Chinese into California yesterday, coinciding with a Chinese government statement that it had stepped up efforts to halt illegal emigration, AP reports.

"The public security departments have stepped up efforts to track down the criminal groups organising human smuggling and patrols at sea," a Chinese Foreign Ministry spokesman said.

Since January authorities on both sides of the Pacific have intercepted boats carrying about 2,500 Chinese, each of whom had paid or promised smugglers \$20,000-\$30,000 (\$13,000-£19,500) to get them into the US illegally. Many others are entering overland from Mexico or arriving at airports with false documents.

## Aylwin makes Moscow peace

Russia's President Boris Yeltsin and Chilean President Patricio Aylwin formally buried two decades of hostility between Moscow and Santiago yesterday, Reuters reports from Moscow.

The two leaders signed a declaration on principles governing future relations and a series of inter-governmental agreements. The meeting capped a general recovery in relations since the departure from power in 1990 of Chilean dictator Augusto Pinochet.

Mr Aylwin, who is on a general European tour, is the first Chilean head of state to visit Moscow since the late Marxist President Salvador Allende came in 1972.

## Brushing up Chile's image

A small US advertising company has been awarded a \$2m public relations account to improve Chile's image, the company said, Reuters reports from Portland, Maine.

Kolt, Hughes and Stameil said many Americans either did not know where the South American country was or had a bad impression of it because of the 16-year dictatorship of Augusto Pinochet.

## US hand stirs controversy in Bolivian election campaign

AFTER months of peaceful but intense campaigning, Bolivia's general elections due this Sunday have been hit by last-minute controversy, writes Chris Phillips, an agency in La Paz. The American embassy in La Paz has gone public in its attempts to force a parliamentary candidate from President Jaime Paz Zamora's ruling coalition to stand down, alleging that he is linked to prominent drug traffickers.

The embassy has alleged that Mr Guillermo Capobianco, a former interior minister in the current government, received bribes in return for freeing imprisoned drug barons, including the sum of \$100,000 in 1991.

So far the candidate of the main opposition MNR party, Mr Gonzalo Sanchez de Lozada, a mining executive with a degree from the University of Chicago, leads in the opinion polls. However, his main opponent, the country's former dictator General Hugo Banzer Suarez, the ruling coalition candidate, is catching up fast.

The controversy over Mr Capobianco could have an impact on Gen Banzer Suarez's campaign. Mr Capobianco is so far braving the US criticism - itself a controversial and risky intervention in the region's internal politics.

An estimated 1.8m Bolivians will choose from among 14 dif-

ferent political parties to elect a new president on Sunday. The leading contestants, along with Mr Sanchez de Lozada and Gen Banzer Suarez, are two newer populist politicians - beer magnate Mr Max Fernandez and Mr Carlos Palenque, the owner of a national television and radio station.

However, Bolivia's quirky constitution means the man who gets the most votes in the presidential poll may well not be the next president. If, as is likely, no one candidate secures more than half the vote, congress will decide by

secret ballot in August who should be president from the three leading contenders.

The campaign has so far been largely peaceful in a country once considered the most unstable in Latin America. After 16 governments in 18 years of military rule, ending in 1982, Bolivia has been run by elected governments.

The elections are also being billed as the cleanest in Bolivian history after the naming of a new five-person electoral court with the backing of all political parties. Heading the court is Mr Huascar Cajias, a prominent lawyer, editor and founder of the Roman Catholic

La Paz daily Presencia. Previous courts, beholden to ruling political parties, were accused of widespread favouritism and corruption.

Aware of the electorate's growing dissatisfaction with party politics, many presidential candidates have made corruption, education and employment their three main campaign priorities.

The new president will inherit a mixed economic picture. The government of President Paz Zamora succeeded in keeping inflation down to 11 per cent last year and to a projected 9 per cent in 1993.

Growth was around 3.4 per cent in 1992. Net reserves are now over \$200m, up from \$23m when Mr Paz Zamora took office in 1989. The government has also passed progressive laws, such as a new mining code facilitating foreign investment.

The state sector is another matter. A privatisation programme begun last year has been disappointing because of the poor quality of the companies on offer. President Paz Zamora has failed to reform the public sector, particularly the state mining corporation Comibol. Depressed world

prices for base metals mean Comibol may have to close all but one of its mining operations by the end of the year.

In part because of the delays in modernising the state, the government has run a fiscal deficit averaging 4 per cent of gross domestic product during the lifetime of the present government. Failure to keep the deficit in check meant Bolivia could not keep to the terms of the fourth year of its extended structural adjustment facility agreement with the International Monetary Fund.

Some economists are also worried about a growing trade deficit: the 1992 shortfall of \$410m was the largest in nearly a decade and the pattern for 1993 suggests more of the same.

Bolivia remains dependent on support from international financial institutions. Thus any future government's room for economic manoeuvre is limited - perhaps as a result of this the declared economic policies of all the main candidates are strikingly similar.

Both Mr Sanchez de Lozada and Gen Banzer Suarez say they are in favour of what they call "capitalisation" - the giving off to the private sector of minority stakes in larger state enterprises - rather than full-scale privatisation. Yet all are broadly in favour of prolonging an austerity programme now in its eighth year.

## Guatemalan confusion over Serrano successor

By Edward Orlébar  
in Guatemala City

GUATEMALA'S political system was in confusion yesterday over who would succeed Mr Jorge Serrano, who left the country this week after being deposed as president.

Mr Gustavo Espina, Guatemala's acting president and former vice-president, was prevented from taking office late on Wednesday night because of congressional opposition. He needed a majority of Congress's 117 members to approve his swearing in, but only 44 turned out in support.

Mr Espina delivered a populist speech to Congress calling on it to purge corrupt members. He said he would donate the president's unaccountable "confidential expenses" - by which the president buys votes in Congress - to social services. He asked for his ministerial colleagues to resign.

Mr Serrano attempted to seize authoritarian powers and suspend the constitution last week, but found himself deposed by the military. Instability may grow if the succession issue is not resolved soon.

Mr Espina does not appear to have the support of the private sector, unions or main political parties. "The best thing that Espina can do is resign," said Mr Peter Lamport, a representative of the private sector coalition Cacic.

A constitutional court is examining whether Mr Espina's support for Mr Serrano's attempted "self coup" violated the constitution. If it did, Mr Espina would be legally excluded from the presidency.

Mr Edgar Tuna Valladares, attorney-general, has opened proceedings against Mr Serrano, Mr Espina and Mr Francisco Perdomo, minister of the interior, "to determine responsibility in the interruption of presidential order".

The rejection of Mr Espina



Waiting in the wings: Gustavo Espina holds a press conference in Guatemala City after being prevented from taking office

has created a problem for the military, which denied on Wednesday that he had resigned. On Tuesday General José Domingo García Samayoa, defence minister, said Mr Espina would remain acting president in order to avoid a legal vacuum until a purged

Congress was able to meet and accept his resignation.

The military's ambiguity is said to be causing internal divisions. But observers believe it is unlikely the army will adopt strong-arm tactics after covering its actions until now under a veil of legality.

## Salinas pledges crusade against drug traffickers

By Lucy Conger  
in Mexico City

MEXICO'S President Carlos Salinas has called for a "national crusade" against the drugs trade, promising to establish an elite anti-narcotics unit to fight the war on all fronts, including money laundering and arms trafficking.

His call on Wednesday came nine days after the killing of Roman Catholic Cardinal Juan Jesús Posadas Ocampo, who was shot, apparently by drug traffickers, at Guadalajara airport.

The new unit, to be formed by the Attorney-General's office, is to be equipped with the latest technology and trained in the most sophisticated investigation techniques. Mr Salinas also said he would launch constitutional reforms aimed at toughening penalties against drug criminals and tightening procedures to confiscate their property.

Meanwhile, the investigation into the murder of Cardinal Posadas unearthed a large tunnel on Wednesday, apparently designed as a conduit for passing drugs under the Mexico-US border.

The tunnel begins under a large warehouse by the Tijuana International airport and runs for 350 metres towards a building site on the US side of the border.

The tunnel was found as police combed Tijuana looking for gangsters who fled to the border city after the Guadalajara killings.

Growing scepticism over the official explanation of the shootings at Guadalajara, which claimed seven victims, is increasing pressure on the Salinas administration to produce results.

Roman Catholic bishops, opposition politicians and political analysts challenge the government's claim that the cardinal, who died from 14 bul-

let wounds in the chest, was the accidental victim of drug traffickers who mistook him for the leader of one of Mexico's most powerful drug gangs.

Mr Federico Estevez, a political scientist at the Autonomous Technological Institute of Mexico, said such scepticism fuelled doubts about the government's ability to reign in drug traffickers as well as to control rogue former or present members of the security apparatus.

Drug-related violence has increased sharply in recent months, claiming the lives of a former state prosecutor and magistrate and dozens of others killed in shoot-outs between rival gangs.

Some observers speculate the cardinal's killing may have been a message from elements in the security forces irritated by recent measures aimed at combating corruption linked to drugs.

## CONTRACTS &amp; TENDERS

## Treuhandanstalt

The Treuhandanstalt is offering the

## Auto Trans Berlin GmbH i.L. (ATB)

Herzbergstrasse 105, O-1130 Berlin, with its subsidiary companies Berliner Transport GmbH (BE-TRA), Berliner Spedition und Ferntransport GmbH (BE-SPED) and Transport- und Gewerbehof GmbH (TUG) in the German capital of Berlin for sale.

Retention of current positions and creation of new jobs in addition to an investment guarantee are expected.

## Auto Trans Berlin GmbH i.L.

The company originated in 1990 from the former East German conglomerate Auto Trans, which handled all goods transport in Greater Berlin. This conglomerate consisted of three state-owned businesses which are now the subsidiaries BE-TRA, BE-SPED and TUG. The Auto Trans Berlin GmbH (ATB) has been in liquidation since March 1992. The company currently employs 36 people in the commercial and technical area.

Site 1  
Herzbergstrasse 105  
O-1130 Berlin

**Location:** The Herzbergstrasse 105 site is located in the Berlin city district of Lichtenberg, close to the city center. Lichtenberg borders on the city districts of Prenzlauer Berg, Friedrichshagen, Treptow, Köpenick, Marzahn and Hohensteinhausen. The site is well-connected to the public utilities network.

## Buildings and Grounds:

Total area is ca. 55,725 m<sup>2</sup>; a partial list of the buildings on the property:  
• eight-story administration building, built 1982, building area: ca. 1,674 m<sup>2</sup>;  
• single-story workshop hall, built 1986, building area: ca. 470 m<sup>2</sup>;  
• single-story workshop hall, built 1920, building area: ca. 1,830 m<sup>2</sup>;  
• single-story administration building (occupied by BE-TRA), built 1990, building area: ca. 400 m<sup>2</sup>.

Site 2  
Gross-Berliner Damm 84  
O-1197 Berlin

**Location:** The Gross-Berliner Damm 84 site is located in the Berlin city district of Treptow, on land which was formerly part of the Johannisthal airport. The property is in the middle of a purely commercial and industrial area and has excellent connections to local transportation systems: the S-Bahn stations Schöneberg and Adlershof are both just 1.5 km distant; the most important arterial road in southeast Berlin, the Adlersgestell, is just a few hundred meters away; and Schönefeld airport is only ca. 8 km from the site.

For property inspection appointments, please contact Ms. Heitwitz, Tel: 49-30/65 22 26 00, Fax: 49-30/5 76 32 32.  
Further information about bid submission can be obtained from the Treuhandanstalt, Direktorat U4A, Telefax: 49-30/3154-1558 or -2903.

## Buildings and Grounds:

Total area equals ca. 164,150 m<sup>2</sup>. The important buildings:  
• four-story administration building, built 1917, building area: ca. 820 m<sup>2</sup>;  
• three-story administration building, built 1979, building area: ca. 520 m<sup>2</sup>;  
• single-story office and storage building, built 1940, building area: ca. 90 m<sup>2</sup>;  
• single-story office, social and storage building, built 1960/modernized 1980, building area: ca. 313 m<sup>2</sup>;  
• single-story warehouse, built 1935, building area: ca. 6,125 m<sup>2</sup>;  
• single-story paint shop, built 1981, building area: ca. 646 m<sup>2</sup>;  
• single-story warehouse, built 1975, building area: ca. 1,444 m<sup>2</sup>;  
• single-story repair hall, built 1984/modernized 1992, building area: ca. 1,818 m<sup>2</sup>;  
• single-story repair hall, built 1970, building area: ca. 671 m<sup>2</sup>;  
• three-story office and workshop building, built 1984, building area: ca. 260 m<sup>2</sup>;  
• petrol station.

## Berliner Transport GmbH (BE-TRA)

Herzbergstrasse 105  
O-1130 Berlin

Employees: 116.

## Services:

Transport of foodstuff and perishable goods; distributor runs in Greater Berlin and Brandenburg; transport of hazardous and frozen goods; intercity transport routes. The BE-TRA has 15 franchises for executing intercity transport contracts.

## Vehicle fleet:

63 vehicles, primarily 1991 Mercedes-Benz models.



## Berliner Spedition und Ferntransport GmbH (BE-SPED)

Gross-Berliner Damm 84  
O-1197 Berlin

Employees: 59.

## Services:

National intercity transport (complete freight), warehouses, 44 franchises for the transaction of intercity transport.

## Vehicle fleet:

47 vehicles, primarily 1991 Mercedes-Benz and Volvo models.

## Transport- und Gewerbehof GmbH (TUG)

Gross-Berliner Damm 84  
O-1197 Berlin

Employees: 66.

## Services:

• Transport and distribution of building materials  
• Local and intercity silo transport  
• Transport of bulk goods (gravel, sand, chips)  
• Transport of asphalt for road construction.

Plans are to expand the service into the areas of building materials recycling and transfer (ground materials, debris, soil). The TUG has 27 intercity transport franchises.

## Vehicle fleet:

46 vehicles, primarily 1991 Mercedes-Benz models.

Invest in the new Federal States of Germany.

Take advantage of a ready commercial location through the purchase of this company.

Qualified labour in the region is available to help your business establish a presence in Germany and Eastern Europe.

Closing date for all bids: 16 July 1993, 12:00 o'clock, by the

Liquidator Gregor Zinsmeister  
Friedrichstrasse 180, Room 2095,  
O-1080 Berlin  
Telephone: 49-30/2 29 29 45  
Telefax: 49-30/2 29 21 65



# EC seeks to tighten Japanese car curb

By Andrew Hill in Brussels

THE European Community is to ask Japan to limit still further exports of cars and light commercial vehicles to the EC in 1993, following a significant fall in demand.

Mr Martin Bangemann, EC industry commissioner, has written to Mr Yoshiro Mori, the Japanese minister for trade and industry, requesting urgent talks before the August break, aimed at revising the April deal on 1993 imports. The Japanese agreed

then, in effect, to cut exports to the EC of cars and light commercial vehicles by 9.4 per cent - roughly 113,000 vehicles - on the basis of a European Commission forecast that EC car sales would decline by 8.5 per cent this year.

Mr Bangemann said in April that the figures might need to be revised. Commission officials refuse to forecast the expected decline in the market this year and no figure is mentioned in Mr Bangemann's letter. But the officials point out that new

vehicle registrations in the first four months of this year dropped by 17.3 per cent. The EC industry estimates that sales could decline by as much as 15 per cent over the year.

"It would need an explosion in [EC] demand to meet our original forecasts," one senior Commission official conceded yesterday.

The Commission has come under intense pressure from the EC industry - notably Mr Jacques Calvet, head of Peugeot-Citroën of France - and the French, Italian and Spanish govern-

ments to adjust the April agreement. Asea, which represents all EC manufacturers except Peugeot, said yesterday the two sides would have to act quickly if an adjustment was to have an effect.

The April accord was based on the controversial July 1991 "understanding" between the EC and Japan, under which the Community pledged to open its market to full competition from Japanese vehicles by the end of the century.

A renegotiated accord would still

allow for an increase in Japanese exports this year to the five protected EC markets - the UK, France, Spain, Portugal and Italy.

Officials in Brussels expect Japanese manufacturers to compensate for import cuts in the rest of the Community by redirecting EC-made Japanese vehicles - so-called "transplants" - from the protected market to the remaining seven countries. Transplant vehicles are not covered directly by the July 1991 deal but are "taken into consideration".

# Canadian labour deal may soften newsprint prices

By Bernard Simon in Toronto

WORLD newsprint prices face renewed downward pressure after the expected approval today of a new labour contract by workers at seven Canadian paper mills owned by Abitibi-Price of Toronto.

Union leaders have urged workers to accept the five-year contract, setting a pattern for other eastern Canadian mills without triggering the work stoppages which usually disrupt newsprint supplies during labour negotiations.

Uncertainty over the outcome of the contract talks has helped push up newsprint demand in recent months. Many North American publishers built up inventories to protect themselves against supply interruptions and a 5-7 per cent cut in discounts imposed by producers in the eastern US and Canada on April 1.

An official at Knight-Ridder, the Miami-based newspaper group, said the company had 80 days' consumption on hand, against the industry average of 40-45 days.

Strong demand in North America led to a sharp cut in US and Canadian exports to Europe earlier this year. The gap has largely been filled by Scandinavian producers,

whose competitiveness has been improved by a fall in the value of the Swedish krona and Finnish markka.

Some Scandinavian producers had been hoping for limited price increases in the second half of this year if the US market continued to strengthen. But current North American production appears to be outstripping consumption, especially on the west coast.

An Abitibi-Price official confirmed that "we may see a little softness in the middle of the year". The company has announced that it is shifting production of two machines at its Iroquois, Ontario, mill from newsprint to specialty groundwood papers.

According to Mr John Johnson, analyst at Richardson Greenshields in Vancouver, the New York Times' advertising line is 8 per cent lower so far this year than in 1992, while the Los Angeles Times' line is down 10 per cent.

But newsprint mills, especially in Canada, are running at full tilt to meet the recent run-up in inventories. The Canadian Pulp and Paper Association will report today that Canadian mills were operating at 99 per cent of capacity in April, up from 78 per cent in July 1992.

A four-way open market package is seen as 'within striking distance', writes David Dodwell

# Access talks are key to Uruguay Round hopes



NOT for the first time in the past four years, hopes have leapt in recent days that agreement is within reach in the long-stalled Uruguay Round of talks on global trade reform. Negotiators who have been to the brink before, and failed, are inevitably cautious.

There is more talk on the obstacles that still have to be overcome than on the headway that has been made in recent months. But as ministers from the industrialised countries were being told in Paris this week how grave the world's economic problems were, a consensus has appeared that reforms under the Uruguay Round of the General Agreement on Tariffs and Trade have "critical relevance" if early recovery is to be achieved.

Mr Mickey Kantor, US trade representative, caught the mood of negotiators in Paris when he noted: "We are at last within striking distance of the largest market access package in history."

Sir Leon Brittan, his European Community counterpart agreed that it is "realistic to aim for the outline of an ambitious market access package" by the Group of Seven summit

in Tokyo in early July. The aim is to bind the G7 countries into a package of tariff cuts in manufactures and services trade, and use this as the springboard for wider multilateral agreement. The target is for a Uruguay agreement by December 15 this year.

Underpinning a quiet, cautious optimism that a deal is within reach is a sequence of negotiations initiated in January this year by Sir Leon. They began on New Year's day in secret talks with Mrs Carla Hills, then the US trade representative. Rather than wrestle with all Uruguay Round issues simultaneously, the two opted to push for a bilateral market access deal that would involve deep tariff cuts in a range of manufactures and services.

Sir Leon managed to maintain momentum in spite of the inevitable hiatus following the change in the US administration. In Toronto a month ago, talks were broadened to the "quad" group of the US, the EC, Japan and Canada.

Officials remain secretive about the details of the market access package. It embraces pharmaceuticals, chemicals, steel, construction equipment, medical equipment, spirits, beer, textiles, ceramics, glassware, paper, wood, electronics, non-ferrous metals, farm equipment and scientific equipment. In the services area, it includes financial services, telecommu-

nications, transport, audio-visual services, and labour migration. Officials stress that while this covers the sectors under discussion, it is unlikely that agreements can be reached in all areas.

Last week, Japan outlined in talks with US counterparts new concessions to open up its financial services sector. These proposals were put before EC negotiators in Geneva yesterday. They could be of immense importance in rallying support in Europe and the US for the wider Uruguay Round package, since both are expected to gain significantly from liberalisation of financial services.

Perhaps most critically, they could be important in swinging the French government behind an agreement. Pierre French opposition to proposals for reform of farm trade could be offset by significant liberalisation in financial services, since France is the world's second-largest services exporter.

Sir Leon warned in Paris on Wednesday, at the end of a meeting of "quad" ministers, that if outline agreement was to be secured before the Tokyo summit "it must involve every participant being ready to move and do things which will not necessarily be easy".

Notably, the US will need to lower protection for its textiles industry. US negotiators will



Ministerial meeting: Ron Brown, US commerce secretary (left), greets Japan's minister of international trade, Mr Yoshiro Mori, at OECD headquarters in Paris yesterday

also need to assure other G7 countries that they have won unconditional "fast track" authority to present a "take it or leave it" deal to Congress.

The EC must cut tariffs on electronics products, and will need to lower barriers to foreign films and television programmes.

Japan is under pressure to open its market to more rice imports. It is understood that no concessions are likely before the G7 summit, though negotiators hope Japan will bend to pressure in the multilateral negotiations that would follow a successful G7 outcome.

Between now and the Tokyo summit, negotiators are scheduled to meet virtually non-stop. A critical sequence of meetings in Tokyo culminate in a "quad" summit on June 23-24.

What is significant is that "quad" ministers invited Mr Arthur Dunkel, director general of Gatt, to brief them in Paris this week on how a G7 agreement could be broadened to embrace all 111 Gatt members. Also present in Paris was Mr Peter Sutherland, who is expected to succeed Mr Dunkel at the end of this month, and who would play a critical part in managing multilateral negotiations in the wake of the G7 summit.

By this stage, a range of new obstacles will face negotiators. The 14 farm products exporting countries organised into the Cairns Group have already made it clear that the US-EC agreement on farm trade reform reached at Blair House in Washington in November must provide a "rock bottom minimum" for the agriculture section of the Uruguay Round

agreement to be acceptable. Japan, which has come under increasing unilateral pressure from the US to set targets for bringing its trade with the US into balance, is spearheading efforts to include in the Uruguay Round package clear commitments to use the multilateral Gatt forum to settle trade disputes. This is aimed in particular at Washington's "Section 301" laws, which are at the heart of an armoury of unilateral trade sanctions that are of increasing concern to US trade partners.

Japan in turn will come under pressure to agree to "tariffication without exception" in the Uruguay Round package - a commitment that would force it to open its domestic rice market to foreign competition, albeit behind high tariff walls.

# ECGD resumes export cover to Argentina

BRITAIN'S Export Credits Guarantee Department is resuming export insurance cover to Argentina, 11 years after its suspension following the 1982 Falklands conflict and the onset of Argentina's decade-long debt crisis, writes John Barham in Buenos Aires.

Mr Michael Heseltine, UK trade and industry secretary, who is on an official visit to Argentina, said this had been made possible by the "substantial improvement in the way Argentina has been servicing its debts".

British exporters have been

clamouring for ECGD cover as economic conditions improve in Argentina. Although Argentina's free market reforms have led to a substantial increase in imports, British sales remain depressed; exports rose to £118.7m in 1992 from £89.7m in 1991.

Exporters are likely to be disappointed by the £100m ceiling on coverage and the high premiums, expected to be in the range of 14 per cent. Officials said this reflected Argentina's poor debt repayment record and high risk of insolvency or non-payment.

# EUROPE'S MAJOR MOVERS

## FT500



The "FT European Top 500" is a wealth of crucial information for all those doing business in Europe, now or in the future.

The "FT European Top 500" provides a clear and concise guide to the performance of Europe's biggest companies. Its league tables are ranked by market capitalisation, turnover, profitability (including the major gainers and losers) and by number of employees. Unique to the guide is its analysis of performance by market sector. (Separate tables are devoted solely to the UK.)

The "FT European Top 500" is also an invaluable source of contacts. Its comprehensive directory contains the names and addresses, telephone and fax numbers of the companies - and the names of their top executives.

As a result, the "FT European Top 500" has become an essential, business reference book. For more information, or to order copies, just complete and return the coupon below.

FT. Because business is never black and white.

John White, Financial Times Ltd., Number One Southwark Bridge, London SE1 9HL.

To: John White, Financial Times Ltd., Number One Southwark Bridge, London SE1 9HL. Fax (71) 873 3072

I would like ☐ copies of the FT European 500, price £22 (inclusive of post and packaging).

Please send me more information on: Mailing List ☐ Statistical Data Disc ☐

Please charge to my: American Express ☐ Mastercard ☐ Access ☐ Visa ☐ Only UK cheques accepted ☐

Card expiry date  Card number

Name  Title

Company  Tel

Address  Postcode

Signature  Date

(no order accepted without a signature)

(offer valid until 21st December 1993)

## REPUBLIC OF LEBANON MINISTRY OF TRANSPORT COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

### BEIRUT INTERNATIONAL AIRPORT PRE-QUALIFICATION OF CONTRACTORS

The Government of Lebanon, represented by the Ministry of Transport and the Council for Development and Reconstruction (CDR), invites applications from suitably qualified building and civil engineering contractors to pre-qualify to tender for the Rehabilitation and Extension of Beirut International Airport.

The Contract will comprise the construction of the following main elements:

- A new west runway (17/35) around 3400 meters long, the strip width is 300 meters and the graded portion of the strip is 210 meters, with approximately 1900 meters projecting into the sea, including marine protection works, all in accordance with international standards.
- Associated taxiways around 16 kms.
- Rehabilitation and extension of the existing terminal building, for 6 millions passengers per year with an approximate built-up area of 94000 m<sup>2</sup>.
- Transit Centre of around 32000 m<sup>2</sup> built-up area comprising a duty free shopping area of around 11000 m<sup>2</sup> and a ninety room airport hotel.
- VIP terminal building of approximately 2000 m<sup>2</sup> built-up area.
- General Aviation terminal building of approximately 3000 m<sup>2</sup> built-up area.
- Air traffic control tower.
- Rehabilitation of five existing buildings, of around 18750 m<sup>2</sup> built-up area.
- Associated road works, vehicle parks and infrastructure works.
- All navigational aids (NAVAIDS) necessary to operate the airfield and airspace; including DVOR, ILS, surveillance radar, runway lighting, taxiway lighting, etc ...

The construction period is programmed for 48 months.

The tender period will be from 31st of August to Wednesday 29th of December 1993.

Pre-qualification applications must be on the basis of the pre-qualification document prepared by the Council for Development and Reconstruction, which will be available at the CDR offices against the sum of U.S.\$ Three Thousand (3000 \$) effective June 7th, 1993 at the following address:

Council for Development and Reconstruction (CDR)  
Tallet El-Seraif  
Beirut - Lebanon

Deadline for returning the duly completed pre-qualification document with all relevant supporting material is 12:00 noon (Beirut Local Time) on Friday 30/7/1993.



# S African all-race poll date set

By Patti Waldmeir  
and Reuter in Johannesburg

SOUTH AFRICA would go to the polls on April 27 next year in its first all-race elections under a proposal put forward last night by a multi-party planning committee in the country's democracy negotiations.

The 10-member committee presented a draft resolution proposing the date to a 104-member negotiating council which will debate the issue. Under the resolution, the council would recommend this date to the higher level negotiating

forum due to meet on June 25. "We believe [setting a date] is vital to inject confidence into the negotiation process," the resolution said. "It will send a ray of optimism and hope through the country."

Such a date is likely to be merely a target, however. It would be conditional on agreement in the multi-party talks on an interim constitution. But it will have a psychological impact in a country desperate for signs of a political solution with a promise of stability.

It does not seem likely that a date on its own, however, would trigger the lifting of

international economic sanctions. This would require agreement on an interim executive council to oversee government in the run-up to elections.

Mr Joe Slovo, South African Communist party leader mandated by the ANC and its allies to introduce the election date resolution, earlier accused some of the negotiating groups of delaying tactics.

"There is a lot of filibustering, there is too much filibustering going on, some of it deliberate to stall the process," a government delegate also expressed anger at slow pro-

ceedings. But other parties were more cautious.

"Unless we move on the question of the form of the [future] state, violence and constitutional principles, there's no point in setting an election date," a delegate from the conservative Zulu-based Inkatha Freedom party said.

Progress was made on Tuesday when Inkatha appeared to accept that a final constitution should be written by an elected constituent assembly. However, this later seemed in jeopardy after the party said its central committee had rejected this concession.

Both Mr Slovo and Mr Benny Alexander, general secretary of the radical black Pan Africanist Congress (PAC), condemned the presence outside the conference building of about 150 uniformed white ultra-rightists of the Afrikaner Resistance Movement (AWB), some heavily armed.

The PAC and the government adjourned another bilateral session yesterday over a police swoop on PAC members last week and the PAC's refusal to renounce armed struggle. There was no indication of any agreement between the two sides.

# God-king finds new role as conciliator

Victor Mallet finds prince little changed

IT WAS vintage Sihanouk. With characteristic panache and flowery language, Cambodia's former "god-king" yesterday appointed himself prime minister without consulting the United Nations peacekeepers charged with bringing peace and democracy to his country.

The 70-year-old Prince Norodom Sihanouk - gourmet, wit and amateur film-maker - had been waiting for his moment of glory since being overthrown by Gen Lon Nol 23 years ago.

His friends and associates had long remarked on his obsession with righting the wrongs of the coup, which he blamed on the Americans, and restoring himself to legitimate power.

The prince, yearning for a popular mandate, tried to have himself elected president before the general election organised last week by the UN as part of the 1991 Paris peace accords but abandoned the idea when it failed to inspire much enthusiasm among the foreign countries supporting the peace plan. However, he took power yesterday on the grounds that his authority was needed to reconcile the country's rival factions while a new constitution is debated.

Basking in his role as conciliator, he described himself in yesterday's statement in French to his people as "Father of the Nation, Father of National Unity, Father of National Reconciliation".

He said: "My beloved and respected compatriots, I am very old and sick. But your untrammelled love, your confidence, your incomparable faithfulness and your noble sense of justice towards me give me the strength to assume once again the leadership of our venerated fatherland."

Officials of the UN Transitional Authority in Cambodia (Untac) could barely suppress their groans. It was not so much that Prince Sihanouk had acted irrationally - his new government is seen as a sensible way of reconciling the royalists and the old commu-



Prince Sihanouk: moment of glory after a 23-year wait

nist administration which between them took most of the votes in the election - as that he had acted hastily.

It was not clear last night if Prince Sihanouk's new government had even received the endorsement of his son Prince Ranariddh, leader of the royalist party Funcinpec, who is supposed to become senior deputy prime minister due to the party's lead in the election.

Prince Sihanouk certainly did not talk about his plans to Mr Yasushi Akashi, the long-suffering Untac chief. The prince's attitude towards Untac and the peace plan which he himself helped to negotiate has been typically fickle. He spent most of the past few months at his home in Beijing instead of in Cambodia and at one point withdrew his support from Untac altogether.

UN officials were obliged to woo him constantly and UN Security Council resolutions routinely contained clauses lauding the prince in an attempt to keep him happy.

On the eve of the election, when it became obvious that the polling would go ahead in

spite of Khmer Rouge threats to disrupt it, he suddenly returned home.

And when nearly 90 per cent of registered voters ignored the threats, he reversed his earlier policy of accommodating the Khmer Rouge, saying it was finished.

Prince Sihanouk's performance in his new incarnation as head of state will be judged partly on how he handles the Khmer Rouge guerrillas, still a powerful military force in parts of the country. Yesterday he again suggested that he might attempt to reintegrate them into Cambodian life. He will also be judged on his attitude towards the democratic institutions which the UN has tried so hard to introduce.

"As Sihanouk's capacity to influence events diminished, so did his interest in governing the country," wrote historian David Chandler in *The Tragedy of Cambodia* in a reference to before the coup. "He took refuge in the company of his entourage, in feverish provincial tours, in making films, and occasionally in his passion for haute cuisine."

# UN starts aid appeal for Angola

By Frances Williams in Geneva

THE United Nations yesterday launched a \$226m appeal for humanitarian aid for Angola, where "on a conservative estimate" 1,000 people a day are dying from famine and malnutrition as a result of the upsurge in fighting.

Miss Margaret Anstee, UN special envoy for Angola, who presented the appeal in Geneva, said afterwards that donor nations had pledged an estimated \$70m in immediate response, and more had been promised.

Describing Angola as a "forgotten tragedy", the appeal document said renewed civil strife had "caused thousands of deaths, injuries, massive internal displacement, destitution of over 2m Angolans, material deprivation, psychological trauma and the collapse of social and economic systems".

Miss Anstee said that, in the absence of a ceasefire between government forces and Unita rebels, the UN was proposing an emergency plan for one month as part of the year-long aid programme.

She dismissed claims by Unita that the UN was biased in choosing where to deliver aid, but admitted Unita-held areas were less secure for aid workers. Unita now controlled an estimated 75-80 per cent of Angolan territory, she said.

# Uzbek prices doubled as share trading halted

By Steve LeVine in Tashkent

THE Uzbekistan government has doubled wages and prices and issued a law halting trade in securities.

The changes enacted on Tuesday are part of continuing efforts to stave off economic chaos but still leave Uzbekistan with lower basic prices than its neighbours, a point the government has stressed to prevent public opposition.

There has been no noticeable public reaction to the rises despite a doubling of bread prices to Rbs16 and a more than twofold increase of petrol prices to Rbs100 a litre from Rbs40.

Fees were also doubled for

water, public transport and sewage services.

The apparent public acceptance was probably attributable to the simultaneous doubling of state salaries.

The moves by the nation of 21m people, the most populous in central Asia, are the latest in its efforts to retain social and political stability. Mr Islam Karimov, Uzbek president, has made it clear he is not retreating from his economic and political policies, despite complaints from western governments which have withheld loans and other assistance.

This week the government continued its closed-door trial of Mr Shukrullo Mirsaidov, for-

mer mayor of the capital of Tashkent, and rival of Mr Karimov. Mr Mirsaidov faces charges of "misusing state resources".

The trial, the latest in a series of cases against Mr Karimov's opponent, appeared to be a signal that the president is unwilling to tolerate even his conservative rivals. Meanwhile a confusing new securities law, published on May 25 in the local newspaper *Pravda Vostoka* appears to outlaw the trading of shares and bank deposit certificates. The law, a sub-clause in a new criminal code, banning "speculation in securities" had halted business at a twice-monthly trading session.

# Saudis in row over pilgrimage

By Roger Matthews, Middle East Editor

SAUDI Arabia, Iran and Libya continued to trade insults yesterday over the conduct of the annual pilgrimage to Mecca which historically has brought to the surface political tensions among the Muslim nations of the Middle East.

Iran again this year attempted to defy the Saudi authorities by using the Hajj to stage demonstrations denouncing the US and Israel. Saudi Arabia yesterday hit back at Iranian reports of a mass demonstration outside Mecca, describing it as an attempt by extremists to undermine relations between the two countries.

Television in Iran had shown hundreds of pilgrims chanting anti-American slogans and claimed that Saudi riot police had surrounded the demonstrators.

Libya also kept up its denunciation of Saudi Arabia for refusing to allow its aircraft to fly pilgrims to Mecca, an action taken to comply with UN sanctions imposed as a result of Libya's alleged involvement in the destruction of a Pan-Am airliner over Scotland.

In a bizarre twist at the weekend, Libya sent nearly 200 pilgrims to visit religious sites in Jerusalem.

# Rio summit treaty wins support

By Frances Williams in Geneva

THE international treaty to combat global warming, agreed a year ago at the Earth Summit in Rio de Janeiro, could come into force as early as mid-1994, United Nations officials said yesterday.

The treaty, signed by 162 nations, has already secured 21 ratifications out of the 50 required to bring it into effect. They include the US, Japan and China, among the biggest emitters of carbon dioxide and

other greenhouse gases that are warming the earth's atmosphere.

Climate model forecasts suggest the earth's average surface temperature will increase by between 1.5 and 4.5 degrees centigrade over the next 100 years, which could cause disruption to farming, desertification, a higher risk of floods and storms, and a rise in the sea level from melting icecaps.

The treaty aims to stabilise greenhouse gas emissions by developed countries at 1990 lev-

els by the year 2000, which would slow but not prevent further temperature rises. Treaty commitments will be reviewed as new evidence comes in.

Mr Michael Zammit Cutajar, executive secretary of the treaty's interim secretariat in Geneva, said yesterday that donor countries had indicated a willingness to put up an additional SDR2bn-SDR3bn (\$2.9bn-\$4.3bn) for 1994-96 to help developing nations implement the convention.



# The view from Jack's front room

Acres of rolling Kent countryside. 560 acres in all at The London Golf Club where Jack is the new Honorary Club Captain.

But Jack's involvement is much more than 'honorary'. For his Golden Bear Company supervised the whole LGC complex and Jack personally designed the 'Heritage' course.

The view from the Long Gallery Bar is breathtaking. But so, too, are the views from the other terraces which help to make the clubhouse something really special. And with internal and external spa baths, an international restaurant and a Teppanyaki Bar, members and their guests will be able to recover from the challenges of the courses in supreme comfort.

Indeed, from the moment members arrive at the LGC they will find a level of service and comfort seldom experienced at other clubs. Their golf bags will be transported from car to starting area. And then they have the choice of buggy, caddy or both. Of course, if members want to carry their own golf bags, that's fine too.

There are two magnificent 18-hole courses at LGC. And with 5 tees at each hole, you need never grow bored. In fact, the whole design is geared to providing fun and challenge for low and high handicap players alike.

In Jack Nicklaus's words: "I believe that golf should be more a game of precision than power and that a good golf course would reward the player who uses his mind ahead of his body strength".

It adds up to a golfer's paradise and a room with a view. And all this is just a short drive (and 3 iron!) from central London.

For further information on membership and to arrange your visit around the Club, just phone 0474 854466 or fax 0474 854798.



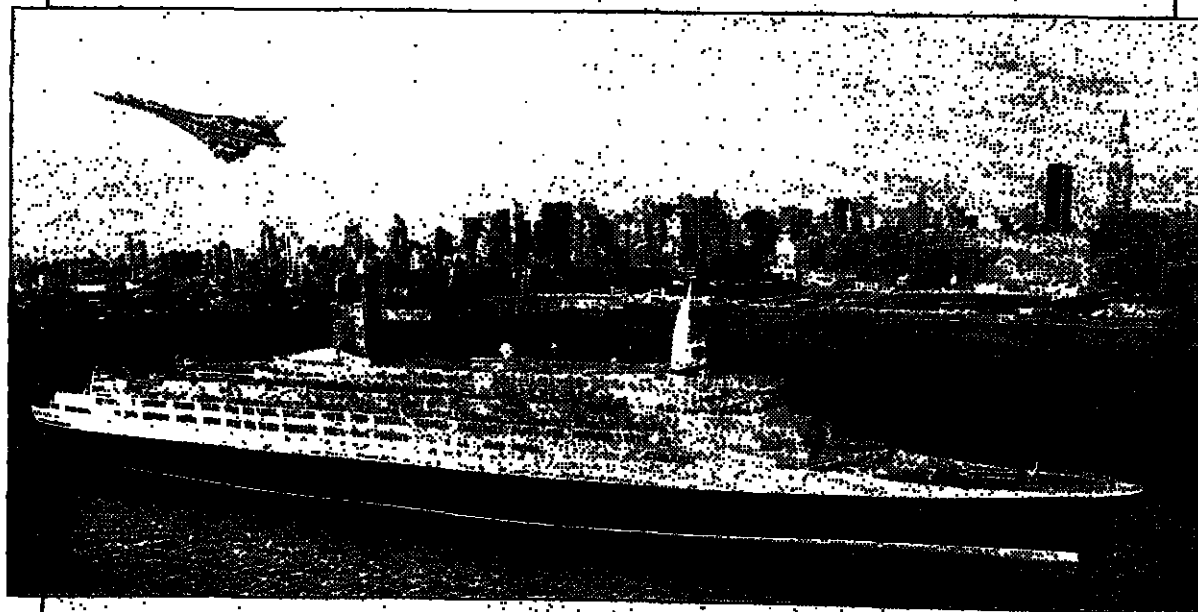
Simply Europe's Best

Alternatively just pop your business card in an envelope and post it to The Membership Secretary, The London Golf Club, South Ash Manor Estate, Stansted Lane, Ash, Nr. Sevenoaks, Kent TN15 7EN.

Honorary Club Captain: Jack Nicklaus

Honorary Members: The Rt. Hon. Lord Dredon MC; Sir Paul Gilmour; The Rt. Hon. Lord Prior; Sir Denis Thatcher Bt; The Rt. Hon. Lord Young of Griffiths.

To one truly amazing travel experience, we've added another.



# Concorde. Free.

QE2. Where pampered passengers can enjoy once more the elegance and style of cruising's golden age. Concorde, that sleek, supersonic symbol of 20th century technology. Experience them both.

Simply book a top luxury state room aboard QE2 for the voyage to New York and you'll receive a ticket to fly home on Concorde free.\*

Start with five nights of superb enter-

tainment, 5-star plus cuisine and impeccable service aboard the Queen of the Sea. Spend up to 35 days in America before returning from New York in Concorde supersonic luxury. And all from as little as £2285 per person - less than a regular one way Concorde ticket. If you prefer, you can fly out on Concorde and cruise back on QE2.

Take a companion FREE on QE2.

With QE2's Business and Leisure fares,

you can book a single cabin on selected QE2 transatlantic sailings and we'll give you a double cabin and two economy air tickets to or from New York. Prices are from £1445 for two people.

For full details of both these offers, see your travel agent or call Cunard on 071 491 3930 or 0703 634166.

\*OFFER BASED ON AIR/SEA STATE ROOM FARE GRADES A1 & B1

# The one and only QE2.

CUNARD, 30A Pall Mall, London, SW1Y 5LS CUNARD IS A TRAFALGAR HOUSE COMPANY.

A101 264



## UK, China resume HK airport talks

By Simon Holberton  
in Hong Kong

BRITAIN and China resume talks today on Hong Kong's multi-billion dollar airport project amid signs that China might be prepared to agree terms of a new financial package.

Talks about the financing of the HK\$185bn (£13.9bn) project have been stalled since last October when Mr Chris Patten, Hong Kong's governor, published his plans for the colony's political development.

Although much construction work for the new airport is under way, China has refused to grant approval to the Hong Kong government's plans for financing the Airport Authority, the manager of the new airport, or approve a financial package for funding a planned railway which will connect the airport to Hong Kong's central business district.

Since bilateral talks on the colony's political development began more than a month ago, China has removed some of the blocks to Hong Kong's economic development.

This has raised hopes in the colony that China may be prepared to agree the financing of

the airport and the railway. Earlier this week Mr Chen Zou'er, a senior official with Beijing's Hong Kong and Macao Affairs Office, said he hoped the airport could be built by June 1997, when sovereignty over the colony is transferred from Britain to China.

Mr Chen reiterated China's position that the project should be cost effective and that it should not constitute a financial burden to the post-1997 government of the colony.

Beijing has come under increasing pressure from the business community in Hong Kong - many of whom have been co-opted by China to advise on Hong Kong affairs - to separate the economic aspects of the colony's future from the bilateral dispute about political development.

Two weeks ago Beijing waved through three business franchises which span the 1997 change in sovereignty and moved, in short order, to resume talks on the airport and working level discussions within the Joint Liaison Group on other matters relating to the transfer.

Hong Kong government officials, while acknowledging the improvement in the atmo-

sphere, said they remained unsure whether Beijing wanted to settle the airport dispute before it had settled the issue of Hong Kong's political development.

"It really depends if they want to do a deal or carry on using the airport as a carrot or a stick," said one. "We really do not know."

A month ago the government passed to China a third option for financing the airport and its railway.

This provides for a readjustment of the equity and debt structure of the project in a way the government hopes will meet the concerns that China raised over the previous two proposals.

Its first financial plan of March last year envisaged debt for the airport and railway of some HK\$75bn. Its September proposal cut combined debt to HK\$23bn after allowing for an equity injection of HK\$40bn, to be funded equally by the present and future governments of Hong Kong.

The third proposal, which is a variation of that of September, provides for less equity and more debt. Details of this option are being closely guarded by both sides.

## Tokyo believes rise is exaggeration given the appreciation of the yen Japan's surplus up 14.6% in April

By Charles Leadbeater  
in Tokyo

JAPAN'S current account surplus, which this week came in for renewed criticism from the US administration, rose by 14.5 per cent to \$11.27bn (£7.3bn) in April compared with the same month last year, the finance ministry said yesterday.

The surge in the Japanese surplus was this week strongly criticised by US officials in

Paris for meetings of the Organisation for Economic Co-operation and Development.

Mr Lloyd Bentsen, the Treasury secretary said the surplus was a drag on world and US growth, while Mr Ron Brown, the commerce secretary, insisted Washington wanted trade agreements with Japan which would deliver measurable results in cutting the surplus.

The current account surplus, which many Tokyo economists

believe will reach \$140bn this financial year, rose from \$9.8bn last April. The trade surplus jumped by 16 per cent to \$11.71bn from April 1992.

However, the Japanese authorities believe the rise in the surplus in dollar terms is an exaggeration given the recent appreciation of the yen against the dollar.

The yen, which closed at ¥107.57 to the dollar in Tokyo yesterday, has risen from about ¥125 since the turn of the year. Much of

the most recent rise in the surplus is due to the rise in value of dollar-denominated exports.

In yen terms the current account surplus fell by 3.6 per cent to ¥12,678bn, while the trade surplus was 2.4 per cent down at ¥13,168bn in April compared with the same month last year.

In dollar terms exports were 11.9 per cent up in April on a year before at \$23.75bn, while in yen terms they fell by 5.8 per cent to ¥38.49bn.

The rise in exports outstripped the increase in imports, with were worth \$18bn in April, a 9.4 per cent increase on a year before.

The yen's appreciation has prompted a renewed outflow of long-term capital from Japan, to recycle its trade earnings. There was a net outflow of long-term capital worth \$7.5bn in April, almost double the amount in April last year. The outflow was mainly due to investment in bonds.

## Direct investment abroad falls 18%

By Charles Leadbeater

JAPANESE foreign direct investment fell by 18 per cent in 1992 as the downturn in the Japanese economy and the slump on the Tokyo stock market continued to take its toll on manufacturing companies' ability to finance international ambitions.

Foreign direct investment fell from \$41.6bn (£26.8bn) in 1991 to \$34.13bn (£22.2bn) in 1992, according to figures published by the finance ministry. In 1990 foreign direct investment from Japan was worth \$66.9bn.

However, the continued steep fall in overseas investment masked important

shifts in the destination of Japanese capital outflows. While investment in the US and Europe fell, investment in Asia rose from \$5.9bn to \$6.4bn. Investment in Asia accounted for 18.8 per cent of all Japanese foreign direct investment, up from 12.4 per cent in 1990.

Over the same period the share of Japanese investment in the US declined from 45.9 per cent to 40.5 per cent of the total, while Europe's share fell from 25.1 per cent to 20.7 per cent.

Investment in the US dropped from \$18bn in 1991 to \$13.8bn last year. Investment in Europe dropped from \$9.4bn to \$7bn but the UK maintained its share of Japanese investment.

Japanese companies made 197 direct investments in the UK last year worth \$2.9bn, compared with 22 investments worth \$3.4bn in 1991. Investment in the Netherlands fell from \$1.9bn to \$1.4bn, while spending in Germany dropped from \$1.1bn to \$768m and in France it fell from \$317m to \$456m.

Investment in Asia surged with the scale of investment rising markedly. In 1991 Japanese companies made investments in Asia worth \$5.94bn. Last year they made investments worth \$6.42bn. The main beneficiary was China. Investments there rose from \$579m in 1991 to \$1,079m last year. China accounted for 3.1 per cent of Japanese

foreign direct investment, up from 0.6 per cent in 1990. While Asia is gaining at the expense of the US and Europe, China is the overall winner regarding investment within the Asia region. Japanese direct investment fell in Hong Kong, Thailand, Malaysia, Singapore, Taiwan and the Philippines.

Investment by Japanese manufacturing companies fell from \$12.3bn to \$10bn. Chemical industry investment rose from \$1.6bn in 1991 to just over \$2bn, but electronics industry investment overseas fell from \$2.3bn to \$1.8bn and the automotive industry dropped from \$1.9bn to \$1.18bn.

## Australian package condemned

### Aboriginal land deal proposed

By Emilia Tagaza in Melbourne

THE AUSTRALIAN government yesterday proposed a sweeping package to protect private mining and pastoral leases from aboriginal land claims. The 33-point package includes legislation that would validate land titles issued between 1975 and the end of this month.

The move came on the eve of the first anniversary of a high court decision which, for the first time, acknowledged that indigenous people had occupied Australia before European settlement and still had rights to the land under common law. Since that decision, aboriginal land councils have been preparing to present claims in various courts around Australia.

One aboriginal tribe in the state of New South Wales recently lodged a writ calling for the commonwealth and state governments to give up almost a quarter of the state.

The government package also proposes to establish a formula under which federal and state governments would share compensation payments to aboriginal groups that might incur losses when leases are granted to private holders. It also calls for the setting up of a special tribunal to deal with aboriginal land claims.

Aboriginal land council officials have called the package a "shiny and useless piece of paper". Meanwhile, the Aboriginal and Torres Strait Islander Commission insists on veto power over land development, and on mining royalties for development

on land with native titles.

Mr Robert Tickner, the minister for aboriginal affairs, said the package was on the table for discussion. "It is not set in concrete," he said.

The government has already attempted legislation to protect a large development project in the Northern Territory. Last week it supported a local government bill that would override native titles covering leases to a \$330m (£134m) lead-zinc mining project.

The McArthur river project, proposed to be developed by the Australian mining group MIM and its Japanese partners, is expected to earn A\$200m a year in exports.

Australia's foreign debt as at the end of the March quarter stood at A\$160.6bn (£72bn), a fall of 3.9 per cent from the figure at the end of the previous December quarter.

This was the first quarterly fall in almost three years and was attributed to debt repayments made by both the public and private sectors taking advantage of lower interest rates.

The figure is, however, 7.9 per cent higher than at the end of the March quarter last year.

Of the net foreign debt, the private sector accounted for 65 per cent or A\$104.6bn.

The ratio of the net foreign debt to GDP was 40.6 per cent, down 1.9 per cent at the end of the previous quarter.

A permanent reduction in Australia's foreign debt is unlikely in the foreseeable future because of the continuing high current account deficit.

## US-Australia air dispute worsens

MR Bob Collins, Australia's transport minister, yesterday added fuel to an air war between Australia and the US, by accusing US-based Northwest Airlines of falsely reporting passenger loads on flights from Japan. Reuter reports from Canberra.

Australia has ordered Northwest this week to cut one of its three New York-Osaka-Sydney flights by June 30, saying Northwest was in breach of an agreement restricting it to a maximum 50 per cent of capacity with passengers from Japan.

In a tit-for-tat move, the US ordered Australia's Qantas Airways to withdraw from three of 10 weekly Sydney-Los Angeles non-stop services by the end of June.

Mr Collins said figures show

Northwest had consistently breached the agreement for flying passengers to Australia.

"The figures show that since Northwest began its three weekly flights in October 1991 up until April 1993, Osaka-Sydney passengers have averaged 75.5 per cent of those on the board," Mr Collins said in a statement.

However a Northwest spokesman said the figures were "warped" and that Northwest had never claimed to comply with the order because it did not recognise it under a 1952 treaty.

Mr Collins also rejected an earlier claim by the airline that it had signed the agreement under duress.

Australia argues that Northwest is operating its flights at the expense of Qantas.

## Taiwan eases capital flows

TAIWAN'S economics ministry may ease restrictions on capital flows as part of the island's financial liberalisation. Reuter reports from Taipei.

The ministry is considering a proposal to allow Taiwanese companies to send investment funds of more than \$5m (£3.2m) out of the country without approval. Remittances totalling less than \$5m a year can already be made freely.

Companies would still need central bank approval for the outward flows, and the ministry would continue to screen all Taiwanese investments in China because Taipei wanted to prevent excessive capital movements, the spokesman said.

He said the ministry was also considering proposals to relax restrictions on foreign investment in Taiwan.

From the  
plain  
& simple  
fax

to the  
plain  
paper  
fax

Introducing  
the new  
**OKI fax**  
machines.

As the first company to develop the fax machine commercially, plainly and simply we know what a business needs. So whichever of our five faxes you look at you'll find it easy to operate. For the home user or small business the OF8 selling for below £400 (ex VAT) would be ideal. If your requirements are more demanding we're confident we have the answer. Because at the very top of the range we have the OKI 2300. This machine carries a host of features, including a 54 page memory and 120 broadcast locations. All printed on clean, crisp, plain paper. And, of course, it's still beautifully simple to use. As the world's third largest printer manufacturer, you can rely on our expertise. You can also rely on us not to make things more complicated than they need to be.

**OKI**  
People to People Technology

For further details of the OKI range of faxes please call us on 0800 525685 or send off the coupon below

Name \_\_\_\_\_ Address \_\_\_\_\_

Please indicate the type of fax you are interested in ☐ Plain paper faxes ☐ Thermal faxes

Please send to Paul Gibson, 550 Dundee Road, Slough Trading Estate, Slough, Berkshire SL1 4LE or fax direct to 0753 810871



## NEWS: UK

# Pilots strike threatens to disrupt BA

By Robert Taylor,  
Labour Correspondent

PILOTS at British Airways, the UK flag carrier, have voted by a massive five to one majority to take strike action over pay and conditions.

The size of the vote is a further blow to the airline which last night was also facing the prospect of a 24 hour strike today by its 17,000 cabin crew and ground staff. Unions claim the strike could paralyse BA's worldwide operations.

Members of the British Airline Pilots Association (Balpa) voted by 2,152 in favour of industrial action with only 492 against. The turnout among BA's Balpa members was put at 92 per cent.

If the pilots proceed with strike action, even for only 24 hours, all BA's 207 long and short haul aircraft could be grounded and the pilots' union estimates the airline could lose £16m in fares.

Mr Chris Darke, Balpa's general secretary said last night the ballot result showed "the depth of ill-feeling among our members".

He added: "The overwhelming majority for strike action indicates pilots are deeply dissatisfied with the way BA are seeking to impose changes without agreement."

Mr Darke said he had written to Mr Robert Ayling, BA's chief executive, demanding an immediate resumption of talks

with the company to address the concerns of pilots.

Balpa is concerned at what it sees as the company's attempt to divide pilots by introducing separate contracts of employment at its new low-cost subsidiary at Gatwick airport, which was set up last November after BA's take over of Dan Air. Pilots working at the former short-haul scheduled and charter carrier earn 30 per cent less than pilots working in BA.

At Gatwick, where former Dan Air staff have transferred to BA, 90 pilots voted for strike action with seven against.

Negotiations, meanwhile, were continuing last night between BA and the Transport and General Workers union to try and avert a 24-hour strike by cabin crew and ground staff.

The strike was due to start at midnight yesterday as part of a long-running dispute over the alleged cut in pay and fringe benefits at BA's subsidiaries.

Gatwick Airport is also due to be affected today by a strike by BA's 250 white-collar supervisory, clerical and passenger service staff.

Mr David Warburton, national officer for the white-collar section of the GMB general union, said: "The BA strike is designed to cause least inconvenience to the public and maximum embarrassment to BA."

## Passengers offered alternative travel plans

By Paul Betts,  
Aerospace Correspondent

BRITISH Airways last night started contacting passengers affected by the threatened strike offering them three options.

These included booking them on an alternative BA flight on a different day; booking them on a flight the same day on another airline; a full refund also valid for non-refundable Apex or other promotional fares.

BA carries on average about 70,000 passengers a day on its worldwide network. The airline said last night it would accept responsibility for travel disruptions caused to passengers by any industrial action.

Under its contingency plans, BA said it would expect to operate more than half its long haul transcontinental services; 11 of its 150 services to Europe from Heathrow; regional services to overseas destinations. However, there would be no domestic services from Heathrow or Gatwick.

BA said it did not expect Concorde flights to be affected with the two daily supersonic services to New York (BA1 and BA2) operating as usual.

On long haul services, BA would expect to operate one flight to Latin America, two to South Africa with the bulk of long distance flights in the reduced schedule serving the US and the Far East. BA also expects to operate flights to the US from Birmingham and Manchester.

# Invesco MIM fined record £750,000

By Andrew Jack  
and Robert Peston

INVESCO MIM, the fund management group, has admitted 55 charges of breaching City of London rules and is paying a record fine of £750,000 plus £1.6m in costs associated with the disciplinary action.

The charges, which were brought by Imro, the self-regulating organisation which polices the fund management industry, severely criticise Invesco's internal controls and its compliance procedures up to December 1992. However, Imro and the Securities and

Investments Board, which is the City's senior regulator, agree that the fund management group has taken steps in changing its management and procedures which should prevent any repetition of breaches.

Imro said Invesco breached rules on the handling of client money, that it issued a misleading advertisement, that it supplied unsatisfactory regulatory information, that it carried out business outside of permitted areas, that kept defective records, failed to provide investors with information and that it made unsuit-

able investments on behalf of customers.

Three of the charges relate to an Invesco company's conduct in relation to assets belonging to the Mirror Group Pension Scheme, plundered by the late Mr Robert Maxwell. They say IMM failed to keep Imro informed of its concerns about the way in which the pension fund's assets under IMM's management were being used. They also say IMM failed to disclose to the pension fund trustees on periodic statements that it no longer had custody of investments it was managing on their behalf.

The SIB said yesterday: "We are very interested in seeking proper redress for Maxwell pension funds". Rather than use its powers under the Financial Services Act to force restitution to Maxwell pensioners, it is putting pressure on Invesco and other firms to make contributions to the Maxwell Pension Unit, which has been set up to raise funds for Maxwell pensioners.

Mr Charles Brady, executive chairman of Invesco, disclosed that 22 senior executives had left the group.

Lex, Page 20



AUSTRALIA finished the first day of the 57th Ashes series at 242 for five. Michael Slater scored 58 and Mark Taylor 124 (above) after a rain-delayed start at Old Trafford. Peter Such took three for 54 as England regained the initiative before the close

## Names lose US hearing on Lloyd's

By Richard Lapper

LOYD'S of London yesterday claimed victory in an important legal case brought against it by dissatisfied American Names - the individuals whose assets back the insurance market's business.

Reaffirming a lower court decision by Judge Morris Lasker on August 18, the US Court of Appeals for the second circuit ruled that US Names should settle their disputes with Lloyd's of London in the English courts under English law.

Approximately 120 US Names had argued that the agreements they signed on joining Lloyd's contravened US securities laws.

In his original verdict Judge Lasker ruled that the true international character of membership of Lloyd's of London and the adequacy of remedies afforded to US Names under English law justified enforcement of the members' agreements with Lloyd's to have any Lloyd's related litigation or arbitration heard in England.

The appeals court also reaffirmed the obligations of Names to arbitrate their disputes with their agents in England.

In a separate development Lloyd's said insurers had won an appeal in an important US pollution case.

On Wednesday the US court of appeals for the third circuit upheld a lower court ruling that insurers were not liable for clean up of polychlorinated biphenyls (PCBs) on property owned by the Texas Eastern Transmission Corporation (TETCO).

Potential insurance claims involved are \$750m, of which some \$450m would have hit the London market.

Since 1988 TETCO has operated a 10,000 mile-long pipeline delivering natural gas from the Gulf of Mexico to the north-east of the United States.

The PCBs were used as a lubricant. TETCO was ordered to clean up these sites and filed suit against its insurers in December 1987 to show that policies issued to it between 1968 and 1987 covered clean-up costs.

## Arms investigators may question Cardoen

By David Heltier

OFFICIALS investigating UK arms sales to Iraq are considering taking evidence from Mr Carlos Cardoen, the Chilean arms manufacturer, as part of the Scott inquiry into claims that the government breached its own export guidelines.

A spokesman for the inquiry said yesterday that if the team decided to take evidence from

Mr Cardoen, it would also consider travelling to Chile.

The spokesman was responding to an interview on BBC television this week in which Mr Cardoen said he would be willing to give evidence to the inquiry but was reluctant to travel outside Chile.

Mr Cardoen was involved in the sale of weapons to Iraq during the Iran-Iraq war and his company worked closely with

Matrix Churchill, the machine tools company at the centre of Britain's arms to Iraq scandal.

In the US, the Justice department has filed charges against Mr Cardoen and Teledyne, a California defence contractor. The indictment concerns alleged illegal exports from the US to Chile between 1982 and 1989 of zirconium, a metal made by Teledyne. The metal was allegedly used to make

cluster bombs for Iraq.

The Scott inquiry was set up following the collapse of the Matrix Churchill trial. Three executives of the company were acquitted of illegally exporting industrial equipment after it emerged that the intelligence services were aware of their activities and that they had received encouragement for their exports from Alan Clark, then trade minister.

## Exchange backs Andersen system

By Tracy Corrigan

THE Board of the London Stock Exchange yesterday endorsed plans for a new trading system to be developed by the Exchange and Andersen Consulting, after Andersen sliced its charges in order to fend off a late bid by Nasdaq, the US over-the-counter stock exchange.

Nasdaq had offered to build a replacement for London's age-

ing dealing system, known as Sea, for £37m, undercutting the Andersen/stock exchange system by more than £20m.

But Andersen fought back by cutting its own offer to £40m, which includes the £15m already invested in the development of the system by the stock exchange, so that the net new investment required for the Andersen system was only £25m.

These cost calculations take

into account savings which are expected to be generated when the first stages of the system are implemented.

Some members of the stock exchange board had forced a fresh hearing for the Nasdaq proposal, as confidence in the Stock Exchange's ability to manage in-house development projects sagged following the collapse of its Taurus paperless settlement system project, at a loss of £75m.

### BUSINESSES FOR SALE

## BRITISH COAL CORPORATION Licensing of Closed Collieries

British Coal invites offers for licensing the working of coal and the use of associated facilities at each of the collieries named below. Decisions by British Coal to grant a licence in respect of each such colliery will be made on a colliery by colliery basis and separate offers are invited. Specific proposals for non-mining uses will also be given due consideration.

The collieries for which offers are invited are Colgrave Colliery, Colgrave, Nottinghamshire; Silverhill Colliery, near Sutton-in-Ashfield, Nottinghamshire; Easington Colliery, near Peterlee, County Durham and Bolsover Colliery, near Chesterfield, Derbyshire.

Expressions of interest must be received by 18 June 1993 either in writing to:

**British Coal Corporation,  
Licensing of Closed Collieries,  
Eastwood Hall, Eastwood, Notts  
NG16 3EB. Fax No: 0773 532709**

or by telephone on the following numbers:

**Colgrave Colliery 0773 532710  
Silverhill Colliery 0773 532711  
Easington Colliery 0773 532712  
Bolsover Colliery 0773 532713**

and subsequently confirmed in writing.

**British  
COAL**

## Acquisition Sought in Workwear/Corporate Clothing

- A client of Ernst & Young is seeking to acquire a company involved in the above market, principally in manufacturing, and with a turnover of £2m-5m.
- Please respond in writing to Richard Jones, Ernst & Young Corporate Finance, 1 Bridewell Street, Bristol BS1 2AA. Facsimile: 0272 360162.

**ERNST & YOUNG**

Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

## Graykarn Limited (In Administrative Receivership)

The opportunity has arisen to purchase the business and assets of Graykarn Limited.

The principal features of the business are:-

- Design, manufacture, installation and commissioning of automated production and process lines
- Diagnostic Software Products
- Blue Chip customers
- Skilled workforce
- Leasehold premises in Dartford, Spoke, Liverpool
- Overseas subsidiaries in Belgium, Germany and USA
- Turnover £8.5 million

For further information contact:

**Michael Gercke, Price Waterhouse, Bridge Gate,  
55/57 High Street, Redhill, Surrey RH1 1RX.  
Tel 0737 766300.  
Fax 0737 779542.**

**Price Waterhouse**

## OPPORTUNITY FOR PROFITABLE EXPANSION

Holding company seeks a purchaser for one of its subsidiaries engaged in the supply of products to the Hotel, Leisure and Institutional industries. The business primarily comprises the marketing, storage and distribution of a comprehensive and competitive range of products and is expanding profitably. Current annual sales are £1.6m with good margins. The purchaser would be under no obligation to acquire private company shares or property interests.

Please write to Box 81159, Financial Times,  
One Southbank Bridge, London SE1 9HL.

## PROFITABLE TRAVEL AGENCY MANCHESTER

- \* Holder of Airline net rates \*
- \* Good commercial client base \*

Long established specialist in Far East and Australia with turnover £1.2m. Good growth and profit record.

Unique opportunity for UK buyer or overseas operator - Europe, Japan, Far East seeking a foothold in the UK.

Owner wishes to retire.

Enquiries in confidence to:  
Messrs Webb-Davis, 25a Northenden Road, Sale, Manchester M33 3BR

## DISTRIBUTOR OF HEAVY DUTY BATTERIES

The Joint Administrative Receivers, Neil Geddes and Anthony Freeman, offer for sale the business, assets and goodwill of Delta Batteries Limited, based in Bury, Lancs.

Assets include: freehold premises with rental income; long leasehold premises; turnover £250K pa; substantial battery stocks.

For further details, please call or fax quoting reference L5105.

Levy Gee & Partners  
Tel: 061-835 2843 Fax: 061-835 9405

**LEVY GEE  
& PARTNERS**

MAGAZINE ADVERTISING ASSETS of insolvent companies and businesses. Tel: 011-202 1164 Fax: 011 708 3464.

MEDIA BUYING - WORLDWIDE. For a brochure on our cost-effective media planning & buying service Tel 081 882 9197

## Touche Ross

## Quietwaters Hotel, Golf & Country Club

The Joint Administrative Receivers, N R Lyle and D L Morgan offer for direct sale or joint venture participation, Quietwaters Hotel, Golf & Country Club.

Quietwaters is within easy reach of London and the M25 and was formed in 1987 to establish a premier golf and country club comprising a luxury hotel, two golf courses and a wide variety of high quality sports facilities for tennis, bowls, squash and snooker.

Quietwaters comprises:

- Championship Golf Course designed to PGA European Tour standards.
- Further 18 hole golf course and separate club house with current turnover of £500,000 pa.
- Four star quality hotel with potential 118 rooms including swimming pool, health and fitness facilities and extensive conference and function facilities. Built to extremely high standard and only requiring soft fit out.
- Country club facilities annexed to the Hotel including 3 squash courts, 4 tennis courts, championship standard bowls hall, snooker rooms and 3 outdoor tennis courts.
- Full range of food and beverage facilities throughout

For further information please contact Sandy Brown or James McMurdo at the address below.

PO Box 810, Friary Court, 65 Crutched Friars, London EC3N 2NP.  
Tel: 071 936 3000. Fax: 071 480 6881.  
Authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

### COMPANY NOTICES

## GENERAL MOTORS CORPORATION

NOTICE IS HEREBY GIVEN that resulting from the corporation's declaration of a dividend of \$0.20 (gross) per share of the common stock of the corporation payable on the 10th June 1993 there will become due in respect of the bearer depositary receipts in gross distribution of 1.00 per cent per unit. The depositary will give further notice of the sterling equivalent of the net distribution per unit payable on and after the 15th June 1993.

All claims must be accompanied by a completed claim form and USA tax declaration obtainable from the depositary. Claimants other than UK banks and members of the Stock Exchange must lodge their bearer depositary receipts for marking. Postal claims cannot be accepted. The corporation's 1st quarter 1993 report will be available upon application to the depositary named below.

**Barclays Bank PLC  
Stock Exchange Services Department  
168 Fenchurch Street, London EC3P 3HP**

### LEGAL NOTICES

Notice of Appointment of Administrative Receiver

**MAYFIELD ENVIRONMENTAL SERVICES LIMITED**

Registered number: 1940063. Nature of business: Environmental services and general engineering services. Trade classification: 23. Date of appointment of Administrative Receiver: 25 May 1993. Name of person appointing the Administrative Receiver: National Westminster Bank Plc. Joint Administrative Receiver: E M Shires (office holder number 7925) N J Vought (office holder number 6339). Coopers & Lybrand PO Box 262 Oxford House 10 Abingdon Place Middlesbrough Cumbria M14 3DZ.

**MI MACHINERY LIMITED**

(In Administrative Receivership)

Registered number: 2099240. Trade classification: 8630 & 8014. Date of appointment: 27 May 1993. By whom appointed: The Trust Bank. Date of change: 5 November 1990. Nature of change: Delegation. N Radcliffe and N R Cooper (office holder nos. 0977 & 2599901) Notion Eltham The Office, Station Road, Crawley, West Sussex BN11 1BY Joint Administrative Receiver.

### BUSINESSES FOR SALE

Appear in the Financial Times on Tuesdays, Fridays and Saturdays. For further information or to advertise in this section please contact Melanie Miles on 071 873 3308 or Karl Loyton on 071- 873-4780



# Workforce throws out Timex peace plan

By James Buxton in Dundee

EFFORTS by senior trade union officials to end the Timex dispute in Dundee suffered a severe setback yesterday when terms hammered out in secret negotiations with the Timex management were angrily rejected by the sacked workforce.

A mass meeting addressed by Mr Jimmy Airlie, the Scottish organiser of the AEEU engineering union, ended after only half an hour when the dismissed workers unanimously voted against accepting

terms which Mr Airlie described as "draconian". The terms would have allowed all dismissed workers to return to work at the printed circuit board factory, subject to their capabilities being assessed, but they would have had to accept pay and conditions amounting to a 27 per cent cut in their remuneration and benefits.

Those who wanted would receive statutory redundancy payments, something which Mr Airlie said had never been achieved before after a dispute in which workers had already

been sacked. The Timex dispute, now in its 18th week, escalated after Timex sacked its entire hourly paid workforce of 340 people, 80 per cent of whom are women, after they rejected a peace plan to end an industrial dispute. Timex then hired 250 hourly paid workers who are bused through the picket line to the plant.

After yesterday's mass meeting the sacked workforce vowed to escalate the dispute. They called the settlement terms "disgusting" and "ridiculous" and chanted: "The work-

ers, united, will never be defeated." Mr Airlie said that the settlement terms had been agreed with Timex officials in eight weeks of secret negotiations. Although he could not recommend them he was duty bound to put the package to the sacked workforce.

The company wanted a pay freeze this year with any pay increase in 1994 dependent on the plant making a profit in the first three quarters of the year. The company would cut its pension contribution by 25 per cent, and reduce the scope

of its sick pay scheme. The subsidy on meals in the canteen would be withdrawn. Mr Airlie said it was an indication of the strength of feeling of the dismissed workforce that they were "not enticed by redundancy money which would run into many thousands of pounds in many cases".

He said that the AEEU would back the sacked workforce within the limits of the law. He said: "If there isn't a negotiated settlement I don't see how Timex can do their business in Dundee."

Mr Peter Hall, president of Timex Europe and manager of the plant, said: "From our point of view we put an honourable proposal on the table to end this dispute and we expect the AEEU to consider this seriously. The ball is in their court."

Two of the Timex strikers are expected to attend the rally being staged by Militant Labour at the Wembley conference centre tomorrow. Ms Sandra Walker, a former convenor of shop stewards at the Dundee plant, will appeal for support for the strikers.

## Dundee's bitter reply threatens to stop the clock

Robert Taylor says that closure may be the last option for Timex

YESTERDAY'S unanimous rejection by the Timex strikers of a peace plan negotiated to end their four month long strike reflects their hardened attitude after being so long on the picket line. But they may well have also lost the best and only opportunity left open for them to resolve the dispute with some semblance of victory.

Their derisive thumbs down after less than half an hour of emotional debate comes as a bitter if understandable blow to the AEEU engineering union. Mr Jimmy Airlie, the union's Scottish executive officer, had negotiated in secret as hard as he could with Timex's management over the past fortnight in search of a compromise deal.

What he presented to the 340 strikers in Dundee was the best he thinks he can get. A one year wage freeze was hard for them to swallow, as well as cuts in their fringe benefits, and it was calculated it would amount to a 27 per cent reduction in living standards.

But Mr Airlie pointed with some satisfaction to the concessions he had managed to extract. For Timex to offer all 324 strikers their jobs back and not just rehire them selectively was a genuine breakthrough. Timex accepted it should pay statutory minimum redundancy payments to those strikers who did not want to be re-employed, something that Mr Airlie told the strike meeting was a "unique" concession in his long experience as a negotiator.

It is now hard for the AEEU's national leadership to know what to do next. For the moment it will stand by its members and keep on paying them each £50 a week under union rules. The AEEU will also do what it can within the law to persuade Timex to scale down the onerous conditions it is demanding for the return of the strikers to work.

But none of the full-time officials Dundee believe they can ensure any kind of victory. "The trouble is we are dealing with virgin strikers. They have suffered a grave injustice by all being sacked and they see no good reason why they should compromise to get their old jobs back," said a union official.

The resolute stance of the strikers will strengthen the hand of Timex's embattled firm local manager Mr Peter Hall. It was his decision to fire all the workers in January, and replace them with a new labour force, when they refused to accept much smaller cuts in their pay and benefits than are now being demanded of them.

Last night Mr Hall made it clear the company's offer would not be improved. There have been clear differences of view on how to resolve the strike between Mr Hall and Mr John Dryfe, the US based Timex director responsible for the company's



Thumbs down: sacked Timex workers leave a meeting yesterday after rejecting a peace plan worked out by unions and the company

circuit board business, who was once in charge at Dundee. Mr Hall more than hinted that he wanted to re-employ selectively from the strikers. He had no genuine desire to see all of them back inside the plant, particularly the shop stewards, whom he blames for the deterioration of industrial relations at Timex.

But when AEEU president Mr Bill Jordan and Mr Airlie made a private appeal to the company Timex decided to see whether a settlement could be negotiated.

Since January the strike has become a cause célèbre, not just in the British labour movement, but across the

world. Achieving a deal was seen by some in the company as an important move in helping to restore Timex's tainted image.

After yesterday's events the company has really three options. One is to go on as before recruiting a larger substitute workforce and ignoring the strikers. Another is to go back to the bargaining table with the AEEU and improve the offer.

But there is also a final one that many in Timex management outside Dundee might start to consider: the closure of the plant.

Circuit board production is not part of the company's core

business and it also loses money. As Mr Dryfe explains, it was mainly for sentimental reasons that the company stayed on in Dundee after shifting its watch production to France 10 years ago.

The strike leaders have often declared that if they do not win at Timex they would prefer to see the plant closed down.

If the dispute drags on until the autumn and beyond this may become an increasingly attractive option for a company that feels hard done by and believes it has done all it can to resolve one of the bitterest strikes seen in Britain for nearly 20 years.

## Britain in brief



### Shell jobs plan rejected at refinery

Workers at Shell's Haven oil refinery in the Thames Estuary have decided to refuse acceptance of individual contracts of employment and the derecognition of their union - the Transport and General Workers - it was announced. Shell confirmed that it was going ahead with derecognition of the unions for bargaining purposes although workers can still belong to unions. Compulsory redundancies would be imposed by the end of 1994. The changes were necessary to cut costs in a depressed European market. The TGWU is launching a campaign to persuade Shell to reconsider. This will involve initially lobbying the company, its customers and shareholders.

A government-run conference in September will be on how to implement policies agreed at last year's Earth Summit in Rio, while a wider, 10-day Global Forum will take place in June next year.

The September conference, called Partnerships for Change, will be held over the three days preceding the meeting of the International Olympic Committee which will decide the venue for the 2000 games, for which Manchester is bidding.

### Toyota ahead of car target

Toyota, the Japanese car-maker, is planning to produce 100,000 cars in 1994 at its UK plant at Burnaston near Derby, a year ahead of its previously announced schedule. Mr Tatsuro Toyoda, president of Toyota, said the company was also considering the production of a second model range at the £700m UK plant in addition to the Carina E large family car, which started production last year. Toyota has previously announced that it was developing a capacity to build 200,000 cars a year at the Burnaston plant, which will be officially opened today.

### BT cuts cost of overseas calls

BT cut the price of international calls to EC countries, Canada and the US by between five and 10 per cent, depending on the type of call. It also extended discounts for higher volume business and residential users. The changes are in line with a 1991 agreement between the BT and Ofel, the industry regulator, obliging the company to limit the average change in the price of its main services in the year to July to 6.25 per cent below the rate of inflation.

### Caution on home loans

Building societies, the home loan and savings organisations, will be encouraged not to lend more than 90 per cent of the value of properties, and to be more cautious about borrowers' ability to repay loans, under regulatory proposals. Mrs Rosalind Gilmore, chairman of the Building Societies Commission, the regulator, said societies were likely to have to set aside more capital to cover the risk of lending over 90 per cent of the value of properties.

Mrs Gilmore also told the Building Societies Association annual conference in Brighton that they would probably be encouraged to calculate borrowers' ability to repay loans as if mortgage rates were at a minimum of 10 per cent.

Mrs Gilmore's disclosure is likely to add to growing caution among mortgage lenders about giving mortgages to borrowers who lack substantial savings.

### Manchester gets Rio role

Manchester officially took over from Rio de Janeiro as the world focus for action and debate on how to reconcile industrial development with environmental issues. The main events staged by Rio last year, however, will be split into two.

## REPO/MONEY MARKET TRADER

German Speaking  
LONDON

Our client, one of the world's leading international investment businesses, wishes to recruit a Repo/Money Market Trader to join its existing team.

Based in our client's London office, responsibilities will include managing continental collateral books, developing customer relationships and providing back-up for other collateral trading activities.

The successful applicant will be educated to degree level, ideally with a finance/economics bias, and must be able to show well-developed interpersonal and analytical skills. In addition he/she must be fluent in English and German.

Applications in confidence under reference RMMT/24783/FT will be forwarded to our client unless you notify our Security Manager in a covering letter of companies to whom your details should not be sent:

Campbell-Johnston Recruitment  
Advertising Limited  
2 London Wall Buildings, London Wall,  
London, EC2M 5PP

## LETTERS OF CREDIT SPECIALIST

Our Company, active in oil products marketing and oil trading, is looking for a specialist in letters of credit to strengthen our operations/financial department. The candidate must have a good working knowledge of the oil industry and a minimum of two years experience with a documentary credit department of either an international bank involved in oil trading or an oil trading company.

Please write in confidence, enclosing a full CV, and stating current salary to:

Box No. B1088, Financial Times,  
One Southwark Bridge, London SE1 9HL

## FIXED INCOME SALES

American Broker-Dealer located in Paris is expanding its sales force.

The ideal candidate should have 3 years experience selling multi-currency products to major institutional investors.

A highly attractive remuneration package with the usual fringe benefits will be offered to the right candidate.

All applications will be treated in strict confidence. A current C.V. should be sent to:

Box B1084, Financial Times,  
One Southwark Bridge, London SE1 9HL

## UNIQUE CONSULTANTS LIMITED

Innovative, small, financial training/consultancy seeks enthusiastic graduate/MBA for key role in expanding firm. Good communication skills, mathematical ability and knowledge of financial markets/techniques required. Some consulting and training experience desirable. Excellent performance-based prospects and remuneration. Reply with full career details to:

Alison Mather,  
Unique Consultants, 1 Greenhill Rents,  
London EC1M 6BM.

## APPOINTMENTS WANTED

## REPRESENTATION IN GERMANY

Independent Consultant, Economist (55) with international experience, offers to assist a U.K. company in Germany and/or Switzerland on a part-time or per diem basis.

Please contact:  
Phone/Fax: ++49 7631 6576

## MOVE INTO EMERGING MARKETS

### New Opportunities Attractive Package

Our client, the equities division of a prestigious UK financial services group, seeks to develop a strong presence in Latin American equities. As a result, two opportunities have arisen for professionals with drive and enthusiasm to join a new sales and research team working alongside both UK and Latin American colleagues.

### Research Analyst/Sales

Educated to degree level, this individual will have a minimum of 3 years experience in equities research. Fluent Spanish, both written and spoken, is essential as are excellent communication and research skills.

### Economist/Sales

The ideal candidate will have a degree in Economics and at least 2 years experience of economic analysis in the financial services sector. He/she will also need to have well developed communication skills. Some Spanish is essential and a knowledge of Latin America desirable.

City based, both positions offer travel potential.

Applicants should write in strict confidence, enclosing a full curriculum vitae, to David Miller, Director, quoting reference 153/91.

Miller  
Leake  
ADVERTISING

4th Floor, Harling House,  
47-51 Great Suffolk Street, London SE1 0BS  
Telephone: 071-620 3002 Facsimile: 071-620 3005

## Passive Portfolio Management

The London-based subsidiary of a large US investment management firm seeks to add a portfolio manager to its specialist passive portfolio management group.

The successful candidate will have a solid degree (an MBA would be welcome), be numerate and computer literate and have the maturity to work independently. Experience in passive portfolio management techniques is desirable but not essential as training will be provided. Some work experience, preferably with a financial institution, is very desirable. A working knowledge of a European language would be useful.

The compensation package is competitive.

Please forward your CV in writing to: Box No. B1086, Financial Times,  
One Southwark Bridge, London SE1 9HL

## FT/LES ECHOS

The FT can help you reach additional business readers in France. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to further target the French business world.

For information on rates and further details please telephone:  
Clare Peasnell on 071 873 4027

## LEGAL NOTICES

## Hotel, try Club

London and the... and security... work of high...

London and the... and security... work of high...

London and the... and security... work of high...

London and the... and security... work of high...

London and the... and security... work of high...



## RECRUITMENT

# JOB: Harvard professor identifies the mechanisms underlying world-wide organisational disease

## How to escape from the snake pit

ONCE upon a time there were seven would-be high-fliers employed by seven different companies who went to bed each night feeling utterly miserable. The reason was that although the outfits they worked for were called management consultancies, they were in fact snake pits of organisational politics.

So the seven decided to get together and create the consultancy they had dreamed of in their business school days. First and foremost, it would be free from any political writhings to stop expert professionals from spreading their wings.

Soon new clients were flocking to join those they had brought with them, and the business was expanding fast. Soon, too, the seven owner-directors were going to bed each night feeling utterly miserable.

The reason was that the consultancy of their dreams had somehow turned into a snake pit as venomous as any of those they had quit. Their internal tangles were hampering their efforts to serve their respective clients, and their subordinate teams were caught up in the coils. So much so that, despite the directors' practical experience of management as well as their masters' degrees in business administration, the very survival of their company was coming under threat.

Then the founder who'd become the chief executive, and another of the

seven he presumably still trusted, heard that a Harvard professor named Chris Argyris had studied predicaments like theirs. They therefore took him to lunch, explained the problem as they saw it, and asked what they were so mis-handling as to land their whole organisation in such a pit.

His reply, after closer inquiries, was that the root cause wasn't anything they'd done badly, but something they were doing supremely well. It wasn't surprising they were good at same, he said, because they along with most of the rest of us began learning to do it before they could walk. Nor was their outfit, which happens to be in America, alone in its pickle. His studies show the same sickness afflicts managements not only throughout the sadly imperfect world, but even in Japan.

Since the directors seemed honest in their search for a cure, he added, he might be able to help although it would take some time. They agreed, on strict condition that neither they nor their company were named.

That was in 1986, and the seven and their staff are still at it. True, there is less writhing—the internal threat to the firm's survival, for example, has gone—but they aren't yet completely cured.

Meanwhile Harvard University's 68-year-old professor of education and organizational behaviour has described the exercise to date in a book\* which sheds more light on the realities of management than any the Jobs column has read before. In the process, it has produced an addition to the Laws of Organisational Stupidity which I've discussed on occasion recently, the last time being four weeks ago.

What Chris Argyris views as causing the universal sickness, and which he maintains we start practising as we leave the cradle, is a particular response to a certain class of problems: the sort we feel are personally threatening. Our response, which we make with increasing skill, is first to find a way of by-passing the problem, then cover up the by-pass, then cover up the cover-up...and so on. The pattern is always the same, the professor says, even though it appears under different guises he terms "defensive routines". Their result is that, instead of being cleared up, the original flaw not only goes on festering, but its very existence becomes taboo—undiscussable, and so irremediable.

\*Knowledge for Action. Jossey-Bass, San Francisco (ISBN 1-55542-519-4) \$28.95.

Hence the new law of organisational stupidity called Argyris's Archetype which, in its prototype form at least, rules: *The more threatening a problem to those responsible for solving it, the deeper it will be ingrained under ramifying layers of camouflage.*

It is more than just an addition to the laws which, as enduring readers may recall, describe patterns of events that tend to bedevil organisations of all types everywhere. For the Archetype explains several of the laws previously codified, and whose baneful effects were demonstrated by the consultancy's owner-directors. A prime example is the Abilene Paradox, stating: *People in groups agree on decisions which, as individuals, they know are stupid.*

Early on, the chief executive and the other founders separately complained to the professor that their board meetings spent hours on minor matters, quite regardless of the issues which all of them could see were endangering the company. The explanation is surely that the crucial issues, being personally threatening to at least one of the seven, had become undiscussable. So they occupied themselves in collectively agreeing on trivialities, which everyone present knew was a waste of time.

That is not to say such issues went undiscussed outside the boardroom. Elsewhere, when one director was seen as responsible for a problem, others tended not only to blame him behind his back, but to gang up against him. The shifting coalitions that ensued called into play another law called Winkler's Wrecker, which ordains: *Division courts disruption.*

Nor did the board-level writhings go unnoticed by subordinate staff. Noting their chiefs' individual sensitivities, they adopted the law named Mangham's Muffler, stating: *When communicating to superiors, new news is bad news.* The cover-ups on high were thus reinforced by the drying up of any unexpectedly relevant information from below. And while those are not the only laws that follow from Argyris's Archetype, they are enough to explain the existence of snake pits all over the globe.

So how can we climb out of them? Well, the remedy prescribed by the Harvard professor is notoriously hard to digest. The only cure, he says, is for organisations to start learning from the top down – and he doesn't mean simply by sending their chiefs to business schools and the like. In fact, he believes that formal educational processes tend

to make the underlying self-protective sickness not better, but still worse.

In his view, our childhood experience endows us with mentally stored "master programs", one of which prompts us to defend ourselves when we feel under threat. Typically, our later learning – including the sort we do with a view to passing exams – results in our being able to execute the programs more and more skillfully, but without changing their content at all. So when we feel personally endangered by a problem at work, we go straight into the by-pass and cover-up routine without bothering to consider the likely effects on the organisation, no matter how evident and damaging they become.

To break out of the vicious circle, Chris Argyris says, we have to open up our master programs to alterations in the light of experience, by rigorously following certain rules of learning he sets out in the book. One, for instance, is never to attribute responsibility for anything to anyone, without testing the truth of that attribution by asking other people, including the person concerned. He readily admits that the task isn't easy. The seven owner-directors toiled at it for 12 months or more without being able to change their behaviour one whit. But they're doing famously a mere seven years later, he adds, and sleeping much more securely as a result.

Michael Dixon

### Global Capital Markets Fast Trackers Highly Competitive Package

Are you excited by the thought of joining a first class US Investment House? Do you want to work in a highly stimulating and competitive environment in any of the following areas:

- Derivative Products.
- Eurobond Syndication and Trading.
- European Origination.
- Risk Management.

Are you:

- 23-27 years old with superb academics (2:1 or above, ideally in a quantitative subject).
- Able to offer 1-3 years banking experience and/or a keen interest in capital markets.
- Fluent in another European language (German and Spanish highly desirable).

If so, our client can offer excellent long term career development and financial rewards and we would be interested in speaking to you today.

### Spanish/German M&A To £60,000 + benefits

Are you a proven German or Spanish deal specialist looking to build on your success?

The expanding M&A team within this premier US investment bank needs ambitious and assertive team players to enhance its impressive European presence.

You will have an outstanding academic background (ACA/MBA qualified) with at least 4 years Spanish or German cross-border exposure and strong business development skills.

Superb rewards and high levels of responsibility are available for the right candidates. Fluency in German or Spanish in addition to English is essential.

Contact Zoe Ide or John Axworthy on (071) 583 0073 (day) or (071) 720 0613 (evenings and weekends) or write to 16-18 New Bridge Street, London EC4V 6AU Fax No: 071 353 3908.

### BADENOCH & CLARK recruitment specialists

### International Sugar Organisation Executive Director

Applications for the post of Executive Director, responsible for administering the 1992 International Sugar Agreement and running the ISO, are invited from suitable applicants possessing leadership qualities, administrative and managerial experience, diplomatic skills including experience of working with government representatives and the capacity to develop relationships within the international sugar community. Fluency in both written and oral English is essential.

Remuneration and other conditions of employment are negotiable within the United Nations scale applicable to London. Candidates should indicate how soon after 1 January 1994 they could be available. Further details of the Job description and the ISO can be obtained from the ISO.

Written applications, including full C.V. should be sent by 30 June 1993 to:

Mr A S Paul Eynaud  
Chairman of the Council  
International Sugar Organisation  
1 Canada Square  
London E14 5AA

Tel: 071 513 1144 Fax: 071 513 11 46

## European Equity Derivatives Sales

Paris/London

Our client is one of the leading derivative product dealers in the French market. As a French firm specialising in brokerage activities, they already have a well established sales team concentrating on institutional sales to insurance companies, pension funds and mutual funds.

The group is now looking to further enhance its position within the European market by recruiting an experienced European equity derivatives sales person. The successful candidate will be responsible for the marketing of European equity derivative products to French and International institutional investors and will eventually also handle the European equities business.

Our ideal candidate profile will be individuals with an established and successful track record

as an equity derivatives salesman. Probably aged between 25 and 35 and with a higher education, you will be fluent in English and have abilities in another European language. Finally, established contacts with an international clientele (UK, US, Swiss or German) will be of additional interest.

The role has the potential to be based in either Paris or London and will be an excellent opportunity for the right individual to become an integral part of an expanding team.

Interested applicants should contact Karen Gay on 071 831 2000 or Claire de Badereau on 010 331 47 57 2424, or write to her enclosing a full curriculum vitae at Michael Page City, 3 Boulevard Bineau, 92594 Levallois-Perret, France. Please quote reference CDB8842.



Michael Page City  
International Recruitment Consultants  
London Paris Amsterdam Düsseldorf Sydney

### MARTIN CURRIE INVESTMENT MANAGERS

EDINBURGH

Martin Currie was established in 1881 and remains one of Scotland's leading independent investment houses. The company specialises in international equity investment and manages some £3 billion in investment trusts, tax exempt funds and unit trusts for both UK and overseas clients. Significant growth in the client base has created the need to augment the investment team in two key areas.

**SENIOR INTERNATIONAL INVESTMENT MANAGER - Ref 491**  
An accomplished international investment manager with sound knowledge of global markets and excellent presentation and interpersonal skills is sought to take responsibility for handling North American institutional clients. The role will include making presentations to potential clients, liaising with and agreeing investment policy with existing clients and involvement with asset allocation. The ideal candidate must be able to demonstrate a successful track record in an investment management environment, preferably with stock selection experience.

**JUNIOR INVESTMENT MANAGERS - Ref 593**  
Positions at several levels exist for individuals with initiative and a willingness to take on responsibility who are keen to develop a career in investment management. Successful applicants are likely to be graduates in accounting, law or other relevant discipline, well motivated, articulate, literate and numerate. Applications are also welcomed from candidates with several years investment experience who wish to take advantage of the opportunities that an independent investment house can offer.

Remuneration for these positions comprises a generous basic salary, valuable benefits package and the potential to participate in an option scheme.

To apply, please write enclosing full career details to Robin Douglas, at the address below, quoting the appropriate reference.

**ROBIN DOUGLAS  
ASSOCIATES**  
Executive Search and Selection

18 Shandon Street, Edinburgh EH11 1QJ Tel: 031-313 4808 Fax: 031-313 3715

### SENIOR ECONOMIC AFFAIRS OFFICER (P-5) Geneva, SWITZERLAND

The Transition Economics Section has an opening for the position of Senior Economic Affairs Officer, reporting to the Director of the Division. Incumbent is responsible for the development and planning of research studies; supervises the research team in the implementation of studies which include economic transformation and growth in the transition economies of eastern Europe, structural changes in trade and production, financial resources transfers, and interrelations between the transition economies and the world economy; prepares documents, policy recommendations and briefs; provides expertise on transition economies to other Offices in the UN system and other international organizations; coordinates administrative activities for the Division; participates in intergovernmental or expert group meetings on behalf of the Economic Commission for Europe; consults with member state governments and other organizations.

Requirements: Advanced university degree in economics, statistics, development economics and international payments. Familiarity with development and planning in the formerly centrally planned economies. At least 16 years of professional experience in the empirical research or a related field. Fluency in English or French, working knowledge of Russian or one more Eastern European language highly desirable.

Qualified women are encouraged to apply.

Remuneration: Depending on professional background and experience, annual net salary (tax-free) from US \$85,877 without dependents and US \$93,674 with dependents plus corresponding entitlements. Closing date for receipt of applications: 28 June 1993. Applications with full curriculum vitae, including salary history, birth date and nationality, should be sent to: Mr. Valerie Evstignejev, Room S-2535, Recruitment and Placement Division, United Nations, New York, NY 10017, USA. Fax (212) 963-3134.

UNITED NATIONS NATIONS UNIES

### APPOINTMENTS WANTED

## INTERNATIONAL TAX EXPERT

Highly qualified tax expert, multilingual, with a number of years worldwide experience, at present in senior position with a leading multi-national group, is looking for new challenge.

Prepared to relocate

Write to Box No. B1087, Financial Times  
One Southwark Bridge,  
London SE1 9HL

### Discretionary Investment Manager wanted

for substantial private portfolio. Must have proven track record, impeccable credentials and eye to world wide strategic investment planning. Remuneration entirely by results achieved Full particulars to:  
**Box B1085,  
Financial Times,  
One Southwark Bridge,  
London SE1 9HL**

### RECENT UNIVERSITY GRADUATES

needed for new London office of highly capitalised international trading firm. Exceptional intelligence, communication skills a must. Positions include Administrative Assistant (requires strong word processing, attention to detail), Generalist (strong research, problem-solving skills), and Accounting Assistant (finance/accounting degree, strong quantitative ability). Fax CV and compensation history to:  
Ms. Walker in New York City (1 212 478 0126 USA) or write Box B1076 Financial Times, One Southwark Bridge, London SE1 9HL.

### UNIVERSITY OF KENT AT CANTERBURY

Vice-Chancellor

The University Council wishes to appoint a successor to Dr David Ingram, CBE, who retires from the office of Vice-Chancellor on 30th September, 1994. The University seeks an outstanding leader, experienced in strategic management, with the vision to take it forward in the next period of its development and to build on its international reputation in teaching and research.

The Senate and the Council have established a Joint Committee to recommend a name to Council for appointment. The Joint Committee invites applications from persons with the necessary personality, qualifications and experience. The Committee would also wish to hear from anyone wishing to suggest names for consideration.

All communications, including applications, should be sent in confidence to the Pro-Chancellor, The Lord Renshaw, CBE, Chairman of the Joint Committee, c/o The Registrar's Office, The University, Canterbury, Kent, CT2 7NZ, from whom further information may be obtained. Telephone: (0227) 762349. Fax: (0227) 451684. Closing date: 30th June, 1993.

The University is committed to becoming an Equal Opportunities Employer.

## A Key Role in Education Reform

School Curriculum and Assessment Authority  
Director of Personnel and Finance – to £51,500

The School Curriculum and Assessment Authority is, under the current Education Bill, to be established in October 1993. Based in London, it will:

- advise the Secretary of State for Education on all aspects of the curriculum and its associated assessment regime
- be responsible for the administration of national testing arrangements and the approval of public examination syllabuses
- manage consultations on any future changes to the National Curriculum
- support schools in the implementation of the National Curriculum and its assessment.

**Appointment:** We are looking for a **Director of Personnel and Finance**, who will report directly to the Chief Executive and will be responsible for:

- the management of the Authority's human and financial resources
- the development of information and support services.

Previous experience of the management of change will be a significant asset.

Salary will be in the range £39,000 - £51,500, including an Inner London Allowance. More may be available for an exceptional candidate. Other benefits include a non-contributory pension scheme and relocation assistance up to a maximum of £5,000 where appropriate. This post may be offered on a fixed-term renewable contract basis.

For further details and an application form, to be returned by 17 June 1993, write to Mick Woolley, the Establishment Unit for SCAA, Newcombe House, 45 Notting Hill Gate, London W11 3JB or telephone 071-243 9365.

The SCAA will be an equal opportunities employer. Applications are welcome from all sections of the community.

**Dates of appointment:** Successful candidates will be expected to take up post as soon as possible, and desirably not later than 1 October 1993.

### BEAR STEARNS COUNTERPARTY CREDIT ANALYST - DERIVATIVES

Bear, Stearns International Limited seeks a counterparty credit analyst to support its derivatives product group. The ideal candidate will possess five or more years experience analysing UK and European financial institutions and approving interest rate swap and other derivative instrument trading limits. Proficiency in other languages helpful.

If you are interested please send your CV together with current remuneration to:

Mrs S. Callaghan  
Bear, Stearns International Limited  
One Canada Square  
London E14 5AD





## The Registrar

The University is restructuring its central administrative functions and seeks a person to play a major role in this exercise. Once completed, the new post of Registrar will have responsibility for all administrative arrangements other than Finance and Estates & Buildings.

Responsible directly to the Vice-Chancellor, the Registrar will be one of three Chief Administrative Officers along with the Finance Director and Bursar.

Experience of high level management in a large complex organisation is essential - this may or may not have been an academic establishment.

In return, a salary of not less than £40,000 is offered as well as the opportunity to make a significant contribution to the development of one of Britain's leading Universities.

Further details are available from the Personnel Director, University of Bristol, Senate House, Bristol BS8 1TH. Tel: (0272) 256450.

The closing date for applications is 2 July 1993.

UNIVERSITY OF BRISTOL  
AN EQUAL OPPORTUNITIES EMPLOYER

## Qualified Accountant

Together Introductions Ltd seeks a competent, qualified accountant to perform the financial administration and management reporting for a growing international service company located in London's West End.

Candidates must possess 2-5 years POE within a growing commercial organisation, show keen attention to detail and be conversant with financial application software. Good communication skills and the ability to work in a pressured environment essential. The chosen candidate will report to the Financial Executive in the USA.

To apply please enclose cv and hand-written covering letter to: Mrs Kay, Together Introductions Ltd, 8 Heddon Street, London W1R 7LH

TOGETHER

Closing date for applications 10th June

# 'True and fair view' still defies precise definition

Andrew Jack looks at the background to the most powerful and evocative phrase in accountancy

HERE IS a phrase in accountancy just a few words long, which wields tremendous almost religious - power and yet defies precise definition. A new publication from the Accounting Standards Board this week has vested it with extra authority. It is "a true and fair view".

Everyone cites it. Few accountants would be willing to sacrifice it. But attempts to get people to define what it means lead only to a sharp intake of breath and a marked silence.

True and fair has a long history and considerable current significance. It appears in company legislation. It crops up in the audit reports attached to British company accounts. It is used to justify deviations from existing rules. It is the ultimate invocation of the high priests of accountancy, a mantra used to explain unusual practices, an elusive concept shrouded in mystique and removed from the sully of influence of the dirty day-to-day practicality of accounting standards.

"True and fair is the foundation of contemporary accounting practice," says Mr Michael Fowle, head of audit at KPMG Peat Marwick. "It doesn't have a meaning which is precise, but you know when you see something that is untrue. It would be difficult in a debate with a client without it, when you just have a feeling in your waters that something isn't right."

But it is also a phrase open to considerable abuse. As Christopher Nobes, professor of accounting at the University of Reading, sceptically suggests, the use of the phrase "to present more fairly" in the notes to accounts when diverging from standards is often a clear indication of the

complete opposite - that something shady is going on.

"True and fair" has been given new relevance with a legal opinion by Ms Mary Arden, QC, now a judge, published today as an appendix to the Accounting Standards Board's draft "Foreword to accounting standards".

The Arden opinion is one of the few instances in which lawyers have encroached into the sacrosanct territory of the accountants. The previous example was a similar joint opinion produced by her and Mr Leonard Hoffmann - now also a judge - in 1983, and supplemented a year later.

The new version is a delight to the ears of Mr David Tweedie, chairman of the board. He believes that it invests him with a new-found authority. "It is a great leap forward," he says. "Before we could not move."

The original Hoffmann and Arden opinion cast doubt on how far the Accounting Standards Committee - the board's predecessor - and the statements of standard accounting practice it produced would be heeded in the courts when considering the "true and fair view" required by company legislation.

In the subsequent decade, Mary Arden argues that there has been considerable change. She cites the single court case which has touched on the topic - Lloyd Chayman v Littlejohn - which vested the old committee with credibility in the eyes of the judge, Mr Justice Woolf.

She argues that the wider funding and membership of the Accounting Standards Board compared with the committee - which was essentially controlled by the accountancy profession - will add to the legitimacy of its

standards in the eyes of the court.

That may be good news for David Tweedie, but it does little to enlighten the uninitiated. In good folk tradition, stories abound over the sacred phrase. An oft-told tale relates how the fondness of his first mate for the bottle, wrote in the log "the mate was drunk last night". To which the mate appended, nursing his morning hangover, "the captain was sober today" - a true but hardly fair statement.

In a speech 10 years ago, David

touch. It has been aptly dubbed "a term of art". Mr Fowle says he would love to see it debated in the courts. "I just wish all the other firms would create the case law."

Mary Arden herself says the phrase is "a dynamic concept... subject to continuous rebirth". As a special edition of the European Accounting Review out this month shows, "true and fair" is neither as long-standing over time or as wide-ranging over space as might at first be believed.

Peter Walton from the London School of Economics, shows that "true and fair" was only introduced in the 1947 Companies Act. The 1844 Joint Stock Companies Act first called for a "full and fair" balance sheet, and the 1879 Companies Act for auditors to state whether it gave a "full and correct" view.

It was British pressure that introduced the concept into the EC's fourth directive, so that the final version in 1978 requires a true and fair view of the company's assets, liabilities, financial position and results.

As other papers in the journal show, how this phrase is translated, let alone interpreted, in the different EC countries, varies widely. It has been in place since 1984 as image fidele in France, for example, but with no discernible impact. In Britain, "true and fair" is what British accountants declare it to be, but in the EC, it will be whatever the European Court decides, warns one German writer.

Mr Fowle cites a case of a company which translated its borrowings in Brazil "wrongly" over several years but in line with accounting standards. He permitted it to continue until the

sum rose to 15 per cent of profits, at which point he threatened to qualify the accounts unless the practice was changed.

The difficulty is that for every such case during the 1980s, there were many more in which clients were able to defy - or even be assisted by - their auditors in interpreting standards strictly by the letter and not by the spirit of "true and fair".

As Mr Chris Swinson, a partner with Stoy Hayward, says: "I feel very uncomfortable with a concept that people find useful in practice but is difficult to define. The impression it gives of absolute truth is not helpful. I have always liked the New World phrase 'presents fairly' instead."

"True and fair" offers a false sense of security to users of accounts, and a way for accountants to justify their own privileged professional position. That is not to say a thick US-style "rulebook" - the alternative suggested by Mr Tweedie - would be any better.

Legal opinions like Mary Arden's have their uses, but they also have limitations. A recent one by Mr Richard Sykes for Touche Ross over Trafalgar House's reclassification of assets did nothing to prevent the company being reprimanded by the Financial Reporting Review Panel, for instance.

At the moment, the board has a fragile legitimacy for "true and fair" in law which does little to raise it above a meaningless mantra. If it reaches the courts, the board had better hope the case goes to the sympathetic ears of Mrs Justice Arden and Lords Hoffmann and Woolf in the House of Lords on appeal.

## Group Audit Manager

London to £60,000, bonus, car and excellent benefits

Our client provides services to businesses and consumers operating in a high volume and technologically driven marketplace which continues to expand rapidly. The Group Audit Manager will be responsible to the parent company's Head of Audit for a team providing a comprehensive Audit service to management. The Audit Group has a track record of providing opportunities for career progression into senior, non-audit roles in the UK and internationally.

The successful candidate will be responsible for overall audit strategy, planning and budgeting and the delivery of a quality audit service providing clear benefits to management. Particular challenges will be the evaluation of business needs, trends and their impact on audit strategy, the continual improvement of audit techniques and the generation of a "controls consciousness" climate in developing and implementing new computer systems.

We are seeking an individual able to fit into a young (30's) top management structure, a senior (seven years post qualified) accountant with demonstrable career achievement within one of the major professional firms and subsequently in commerce or industry. Interpersonal and communicative abilities must be excellent as are the other qualities normally associated with such a role, namely maturity, drive, ambition, tact and confidence.

If you are interested in this excellent opportunity, please forward your CV with a covering letter succinctly outlining why you should be considered, to James Forte at the address below, quoting reference 1899, current remuneration details, day and home telephone numbers.

KPMG Selection & Search  
1-2 Dorset Rise, Blackfriars, London EC4Y 8AE

## Group Financial Controller

Northern Home Counties c.£30,000 + Car + Benefits

Our client, a market leader in a specialised field, shortly plans to seek a full listing on the Stock Exchange. There are ambitious plans for growth based upon promising prospects in the markets in which it operates. It is against this positive background that there is a requirement to appoint a Group Financial Controller to assume full responsibility for the day-to-day running of the accounting function.

The role embraces a wide range of "hands on" responsibilities, including the preparation of financial and management accounts, the development of accounting systems and procedures and the management of a small team. Whilst the position reports to the Financial Director, an ability to operate independently is essential, as is the aptitude to interpret and comment upon financial data.

The successful candidate will be a Chartered or Certified Accountant, who has a proven track record of

developing the finance function in a small to medium sized business and has been actively involved in producing accurate financial and management information. It is therefore unlikely that anyone under 30 years of age will have had sufficient experience. A knowledge of the healthcare and related markets would be preferable, but is not essential.

The role calls for good interpersonal skills and the ability to grow with a business that could offer exciting career prospects. For a position of this nature, the salary package is designed to reflect the anticipated level and experience of the right candidate.

Applications should be submitted in writing, enclosing full career and salary details, and quoting reference B/422/93, to David Gibbs.

KPMG Executive Selection  
Peat House, 2 Cornwall Street, Birmingham B3 2DL.

## Director Of Finance

Community Health

North West

£37,000 to £40,000 plus  
Performance-Related Pay,  
Lease Car

Hoggett Bowers plc  
EXECUTIVE SEARCH AND SELECTION

BIRMINGHAM • BRISTOL • CAMBRIDGE • CARDIFF • EDINBURGH • LEEDS • LONDON • MANCHESTER • NEWCASTLE • WINDSOR and representation throughout EUROPE

Blackpool Wyre and Fylde Community Health Services are due to achieve NHS Trust status in April 1994 and are committed to providing high quality and cost-effective healthcare to a resident population of some 320,000 and an annual influx of more than 16 million visitors. This will be one of the larger community trusts in the country with a budget of £48M. A decision has been made to strengthen the Board by appointing a Director of Finance whose immediate task will be to develop a financial strategy for the Trust. Probably aged between 35 and 45, you will be professionally qualified and have the broad range of experience required to manage and further develop a well-established team. Necessary skills will include a thorough understanding of pricing policies and contract negotiation as well as a proven record of strategic input to a business plan at senior operational management level. Experience of NHS or local government financial management is desirable but not essential. Personal attributes will include an ability to rise above but remain aware of day to day matters, communicate effectively at all levels, be adaptable, innovative and possess the ambition for further career development.

Male or female candidates who feel that they have the self-motivation and enthusiasm and who relish the challenge offered by this career-enhancing opportunity should send CV's to: Mr J H Thompson, Hoggett Bowers plc, 1 Derby Road, Fulwood, Preston, PR2 4JJ, 0772 712626, Fax: 0772 712282, quoting Ref: M27014/FT.

## LLOYD MANAGEMENT

Central London

## GROUP ACCOUNTING

c£35,000 + car

One of the leaders in its sector, our client is a major international group with substantial worldwide interests.

Controlling a small team, this important position carries responsibility for the preparation of the group's consolidated management and statutory accounts and budgets. This will also include accounting for the head office functions and assisting the Financial Director with ad hoc such as financial reviews and acquisitions.

Applicants should be qualified accountants, preferably Chartered, aged 27/35 with group accounting experience gained at the centre of a tightly controlled group or possibly from the Profession. Strong communication, technical accounting and computer skills are essential.

Please write, enclosing a full career/salary history and daytime telephone number, to David Tod BSc FCA quoting reference D/73/F.

LLOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 7AA 071-404 2400

## APPOINTMENTS WANTED

### FINANCE DIRECTOR

FCMA

AGE 37

Extensive international, commercial experience with multinationals, latterly in FMCG. Seeks challenging position in financial or general management with medium-sized company, preferably based in N.W. England

Please reply to Box No. B1089, Financial Times, One Southwark Bridge, London SE1 9HL

### FINANCE DIRECTOR/CONTROLLER

Chartered Accountant, 20 years experience in France and all major European countries. Accounting, tax, UK and US reporting, fluent French. Seeks position with international group. Preferably in Paris.

Please reply to Box No. B1090, Financial Times, One Southwark Bridge, London SE1 9HL



# European Tax Counsel

## Geneva

Our client is a recognised world leader in the engineering, manufacture, marketing, sales and service of high technology products. Worldwide revenues exceed US\$13bn of which 50% is generated in Europe.

Operating in a complex technical and global business environment, the corporation has combined organic growth through technological leadership with key strategic moves via acquisitions, joint ventures and business alliances, to maintain its leading position.

Based at the European HQ in Geneva, the European Tax Counsel will have a strong planning and management role on a wide range of tax issues including:

- Providing tax input on proposed business venture transactions.
- Planning of tax structures for acquisitions, joint ventures and reorganisations.
- Entity profitability and external profit management.
- Transfer pricing.
- Intellectual property.
- European and worldwide tax planning.

## Excellent Package

Qualified as a tax lawyer or an accountant, candidates must have at least ten years international tax experience including a thorough knowledge of European tax systems and a good understanding of US tax law and treaties.

Whilst strong technical skills are essential, the successful candidate will possess excellent communication and interpersonal skills, be a good negotiator and have the presence to interface effectively with key members of the worldwide finance and business organisations.

Fluency in English is essential. Other European languages will be an advantage.

For the candidate who proves himself/herself, real opportunities exist for further advancement. An excellent salary and benefits package is available for the right individual.

Interested applicants should contact Stephen Burke at Michael Page International, Steinstrasse 13, 4000 Dusseldorf 1, Germany. Tel: + (49) 211 324455, or Chris Nelson at Page House, 39-41 Parker Street, London WC2B 5LH. Tel: 071 831 2000.



**Michael Page International**

Specialists in Financial Recruitment  
London Amsterdam Dusseldorf Paris Sydney

## EXPANDING RESTAURANT GROUP

### FINANCE DIRECTOR

**£35,000 - £40,000 + CAR + BENEFITS - SURREY**

Rare opportunity for first rate qualified professional to control financial direction of highly successful Surrey based Restaurant group. Currently this group is approaching a crucial period of growth, continued success will be assured, with strong objective, financial control.

The successful candidate will be responsible for reporting to the board on a regular basis implementing new systems to effect total financial control with a view to accommodating an aggressive expansion programme. A high level of computer literacy necessary, strategic thinking with the ability to appreciate day to day commercial management issues will all be essential qualities.

Please reply with full C.V. to:  
Ruxley Holdings Ltd. Ref. Rgv.  
3 Pannells Court  
Guildford, Surrey. GU1 4EU.

## FAST EXPANDING CORPORATE FINANCE DIVISION OF SUBSTANTIAL FINANCIAL GROUP WISHES TO ATTRACT EXPERIENCED EXECUTIVES

Successful candidates are likely to have graduated from Financial Consulting or Corporate Finance Departments of the big accountancy firms or smaller M & A department of a Merchant Bank or Venture Capital House. Key attributes will include proven financial modelling capabilities, outstanding commercial drive, excellent communications and presentation skills. Keen sense of humour essential. Self-motivating applicants should forward CVs to:

Box No A4454, Financial Times, One Southwark Bridge, London SE1 9HL

## Treasury Accountant

### Competitive salary + benefits

With total assets in excess of £60 billion, Halifax Building Society is one of the largest financial institutions in the UK. Our Treasury, based at Head Office in West Yorkshire, is responsible for interest rate and currency risk management for the Society, together with raising wholesale funds and the management of the Society's liquidity portfolio.

Due to internal promotion, we now need a Treasury Accountant. Reporting directly to the Group Accountant you will have frequent day to day contact with dealers, risk management, settlement and systems areas, and your responsibilities will include:

- Statutory and regulatory reporting of Treasury activities together with provision of management information and accounts.
- Significant involvement in the continued development of accounting and reporting systems.
- Identifying the appropriate accounting treatment of all new instruments and liaising with the Society's Taxation Department regarding their taxation implications.
- Specific assignments for Treasury senior management.

A qualified accountant with at least three years' post-qualification experience, you will also have had significant exposure to treasury instruments gained within a financial institution, together with systems development experience and PC skills.

In return you'll receive a competitive salary based on experience, together with an attractive benefits package, including concessionary mortgage, car, private health care, profit related bonus scheme and relocation assistance, where necessary.

PLEASE write with your cv quoting current salary details to The Assistant General Manager, Group Personnel (Ref T.A.) Halifax Building Society, Trinity Road, Halifax, West Yorkshire HX1 2RG.

HALIFAX is fully committed to equal opportunities for all.



**SCO**  
OPEN SYSTEMS SOFTWARE

The Business Choice™

## European Financial Controller

Watford, Herts to £40,000 + Car + Bens

The Santa Cruz Operation is one of the world's leading suppliers of UNIX based open systems software, with operations spanning markets in Europe, USA, Latin America, Pacific, Asia and the Middle East.

Since its foundation in the USA in 1979, SCO has consistently achieved impressive growth and profitability and attributes this success to unrivalled product quality and ongoing investment to enhance the range, facilities and features of its products. Revenues for 1992 were in excess of \$160m and the company fully expects the high level of growth to continue into the future.

As a result of continuing success, SCO is now ready to make a key addition to the management team, who will assume a leading role in the financial management of the company's European business strategy.

Reporting to the Financial Director, this is a crucial appointment commanding a high profile across the business. Responsibilities will encompass all aspects of finance, comprising statutory and management reporting, tax, treasury, internal control and systems. The main challenges of the role will be to provide accurate and timely management information to the European and corporate management teams and to act as

a catalyst in the progressive management of a predominantly young department in a rapidly changing business. Candidates should be qualified accountants (ACA/ACMA/ACCA) with approximately five years post qualification experience.

Candidates must demonstrate the necessary technical and systems skills, complemented by broad based experience, preferably in blue chip organisations. Individuals with relevant sector experience would be of particular interest. Equally important are personal qualities which must include strong people management and analytical skills, together with a confident and persuasive manner. The company has an open, informal and strongly team orientated style, where performance and contribution are both encouraged and rewarded. Prospects for career development, both within finance and cross functionally, are excellent.

Interested candidates should write to Bill Greenwell, quoting reference LN 151352, along with a full curriculum vitae which includes a daytime telephone number and details of current remuneration, at Michael Page Finance, Centurion House, 136-142 London Road, St Albans, Herts AL1 1SA.



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## A newly created position that represents a real opportunity to drive change

# finance director

department of health

to £38,000 p.a. or possibly more

The Department of Health's Directorate of Accommodation Services and Facilities Management manages the department's buildings in London and provides directly or through subcontracting a wide range of services from word processing and in-house printing to maintenance and security. Given a new commercial focus and the move to market testing, trends of which you are no doubt aware, a need has been identified to enhance the Directorate's financial planning and management of a turnover of about £65 million p.a. To achieve that important end a new post of Finance Director/Chief Accountant has been created.

Broadly speaking, the accountant who is selected to fill this key post will take charge of the Directorate's financial management systems and take action to improve their effectiveness. That will no doubt involve initiating changes in financial planning, budgeting and control procedures as well as working with managers and purchasing professionals to assure consistent inclusion of 'value for money' criteria in the decision making process. You will also produce annual financial plans and - importantly - prepare the annual bids to secure necessary resources. Your insight on how to improve computer support for all financial aspects of the business will be invaluable and we anticipate your direct involvement in not only assessing requirements but developing specifications and overseeing implementation of new systems. You must be a qualified accountant, ideally with some

knowledge of central government or the public sector generally. Experience of the financial systems relevant to directly managed and subcontracted services would be particularly useful as would a familiarity with facilities management/contracting. Some experience commissioning new financial computer systems would be an additional advantage. Good interpersonal and leadership skills and a proactive management style would speak well for your ability to implement change. The post is open either on a fixed term appointment of three years with the possibility of the post becoming permanent or as a secondment opportunity for a suitably qualified accountant in the public/private sector. The post offers a salary in the range £27,080 p.a. to £38,000 p.a. (including Inner London Weighting); a higher starting salary may be possible for an exceptional candidate. For further details and an application form (to be returned by 22nd June, please write to Recruitment & Assessment Services, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone 0256 468551. Please quote Ref. 8/1914.

The Department of Health is an equal opportunity employer. Applications are welcome from all sections of the community regardless of sex, religion, ethnic background or disability.

## Financial Controller

### North West

Package to £32,000 + Car + Bens

Our client, a successful subsidiary of a UK Top 100 plc, is engaged in the manufacture of a wide range of products serving the UK and overseas markets. A reputation for excellence in design and high quality manufacturing has established them as leaders in their field.

They now seek to appoint a dynamic, commercially minded Financial Controller to join an established management team implementing strategies for future business growth.

Reporting directly to the Managing Director, you will assume full responsibility for all financial management and reporting and be expected

to significantly enhance the company's management information systems.

Candidates, aged 28-35, will be qualified accountants able to demonstrate proactivity and achievement within a manufacturing/FMCG environment. You will also need to possess leadership qualities, strong interpersonal skills and the ability to make an effective contribution to the profitable development of the business.

For further information on this position contact  
Dean Ball, Regional Manager at Clarendon House, 81 Mosley Street, Manchester M2 3LQ. Please quote reference: 137874.



**Michael Page Finance**

Specialists in Financial Recruitment  
London Bristol Windsor St Albans Leatherhead Birmingham  
Nottingham Manchester Leeds Glasgow & Worldwide

## Specialist Engineering

# Finance Director

Excellent Salary & Benefits

South Midlands

The company, part of an international engineering group, is a significant and respected player in its market sector with a turnover in excess of \$65 million in both UK and export markets. An experienced Financial Director is now sought to play a key role in the senior management team.

### THE APPOINTMENT

- Reports to the Managing Director.
- Assumes full responsibility for the financial management and forward planning functions, with an emphasis on MRP and costing processes.
- Oversees systems maintenance and development, company secretarial and legal matters.
- Brings sound commercial judgement to the consideration of major contractual issues.

### THE REQUIREMENTS

- Probably in late thirties/early forties; a graduate with a recognised accountancy qualification.
- A minimum of ten years' financial management experience at least to Financial Controller level within the engineering based manufacturing sector.
- A high level of computer literacy.
- A robust personality with drive, leadership skills and commercial flair.

Please apply in writing with full CV and salary details quoting reference 6315/D to: Geoffrey Mather, K/F Associates, Pepps House, 12 Buckingham Street, London WC2N 6DP.

**K/F ASSOCIATES**  
Selection & Search

A DIVISION OF KOHN, TERRILL INTERNATIONAL

## Major Retail Group

# Head of Finance

£60,000, Car and Share Options

Midlands

Our client is a highly successful US retail group with a turnover in excess of \$5 billion. A Head of Finance is now sought to build and manage a comprehensive finance function for the UK business. There is considerable scope for future career development as the company pursues aggressive European expansion plans and the potential financial rewards are excellent.

### THE APPOINTMENT

- Establishment of an effective financial reporting infrastructure and participation in new systems development.
- Substantial involvement in capital investment appraisals and operational issues regarding new store openings, distribution and merchandising activities.
- Co-ordination of tax, treasury and company secretarial functions and regular interface with banks and other external financial resources.

### THE REQUIREMENTS

- Graduate, probably aged 30-40, with a recognised accountancy qualification.
- A minimum of 5 years' post qualification experience, preferably operating to at least Financial Controller level.
- Hands-on retail, hospitality or leisure industry experience, ideally with previous exposure to rapid organisational change.
- Treasury management experience, good computer skills, and preferably some understanding of US GAAP reporting requirements.
- Entrepreneurial and self-motivated, combining strong people management skills with a 'shirt sleeves' approach.

Please apply in writing with full CV and salary details quoting reference 10535/B to: Susannah Truswell, K/F Associates, Pepps House, 12 Buckingham Street, London WC2N 6DP.

**K/F ASSOCIATES**  
Selection & Search

A DIVISION OF KOHN, TERRILL INTERNATIONAL

## The Church Commissioners Finance Director

### London

The Church Commissioners are responsible for the management of the Church of England's endowments to provide financial support for clergy in parishes throughout the country. They manage a portfolio of property, stocks and shares which produces an annual income of £160 million. This represents about a third of the Church's annual running costs.

The Commissioners have decided to complement the existing management team and a new position of Finance Director has been created.

Reporting to the Chief Executive, key tasks will be to:

- bring a clear financial focus to the management of the organisation;
- establish and control the policies and procedures necessary to ensure the timely and accurate reporting of the financial accounts;

### Attractive Salary

- improve the quality of management information, with particular emphasis on investment/treasury functions.

Candidates should be qualified accountants, aged 40-55, with considerable experience of financial management at the highest level. This experience will ideally have been gained in a large organisation where property and investment management is a major source of income. First-rate communication and administrative skills are essential qualities, together with the stature, strategic ability and self-confidence to inspire respect at all levels.

This is an interesting and challenging opportunity to contribute in an environment which is undergoing significant organisational development.

Please send a detailed CV to GKRS at the address below, quoting reference number 92194 (on the envelope and your CV) and including details of current remuneration and availability.



SEARCH & SELECTION

CLAREBELL HOUSE, 6 CORK STREET, LONDON W1X 1PB. TELEPHONE: 071 287 2820  
A GKRS Group Company

## GROUP FINANCIAL PLANNING CONTROLLER

The Argyll Group is a rapidly growing and highly successful food retailer. The Group is committed to realising fully the long-term brand potential of its principal retail identity, Safeway, and is confident of prospects for future growth. The Group has recently announced its results, with sales now exceeding £5.5 billion and pre-tax profits of £417 million, an increase of 14% over the last financial year.

Reporting to the Group Financial Controller, as part of a small team, you will analyse the business in order to further management's understanding of key financial issues and trends. You will be responsible for financial planning processes across the Group, reviewing and analysing divisional accounts, plans and forecasts. This is not routine work, however, the department's brief is to question and challenge - to make managers focus on tomorrow's business goals and decide how they can achieve them today.

The successful candidate will be a lively-minded graduate Accountant with at least 3 years' POE and possess 'blue chip' financial and business analysis experience. This high profile role will involve frequent liaison with senior executives/directors and you will be expected to play a major role in influencing the commercial decision-making process.

The role will provide excellent experience and a sharp learning curve for those looking to progress to senior management.

Are you ready for the challenge? If so, please apply directly to Frances McCutcheon at Robert Half, Princess Beatrice House, Victoria Street, Windsor, Berks SL4 1EH on 0793 897777. Alternatively, fax your details on 0793 841676.

Any CVs submitted directly to the Argyll Group will be forwarded to Robert Half.

ARGYLL  
GROUP PLC

c£40-45,000  
+ FE Car + Bens  
Hayes, Middlesex



## Financial Controller High Profile Role in Manufacturing

### Bedfordshire

Part of an international group, our client is a well established manufacturer of industrial consumables with an excellent product portfolio. The company is profitable and has an ambitious strategy for growth through innovative business development and acquisition.

As a result of internal promotion within the group, there is a need to recruit a highly capable Financial Controller. Part of the senior management team and reporting to the Financial Director, the person appointed will take charge of all financial and reporting matters relating to the UK company.

Key tasks will include:

- providing a highly effective financial management and control service;
- ensuring the UK management team have the necessary information on which to base key decisions and identify crucial business issues;

- directing the future development and enhancement of sophisticated financial information systems.

The ideal candidate will be a qualified accountant, aged 28-40 with a successful record of financial management gained in a manufacturing environment. First-class communication skills together with the ability to influence at all levels are essential personal qualities. The person appointed should have the potential to grow within a developing organisation and combine strong leadership skills with a rigorous attention to detail and a practical, results-orientated approach.

This is a first-class opportunity to contribute to the future success of an ambitious and high growth potential business. The remuneration package will include a performance related bonus, medical cover, contributory pension scheme and assistance with relocation if necessary.

Interested applicants should send their CVs to the address below, quoting reference number 92258N. Please provide full details of current remuneration.



SEARCH & SELECTION

PARK HOUSE, 6 KILLINGBECK DRIVE, YORK ROAD, LEEDS LS14 6UF. TELEPHONE: 0532 484848  
A GKRS Group Company



## BUSINESS AUDITOR

Gatwick Area c£33k + Car

Seaboard is the regional electricity company for the South East of England with a turnover in excess of £1 billion. It is involved in the distribution, supply and generation of electricity as well as having gas marketing, appliance retailing and electrical contracting businesses.

The Company has embarked upon an exciting period of reorganisation and change including major investment in new technology and the development of new businesses.

Following a successful internal transfer, the Company seeks a Senior Internal Auditor to assist in the continuing development of the Internal Audit Department in its role of reviewing both financial and operational functions. A highly visible and commercial role, the emphasis is on identifying pragmatic solutions, improving controls and making recommendations to Executive Management.

Applicants, aged 27-35, must be Chartered Accountants either in a major practice or the Internal Audit Department of a large plc.

First class communication and interpersonal skills are important as is a high level of ambition and motivation. Seaboard offers excellent benefits with this management position, including 28 days holiday, private health insurance and relocation expenses.

Please apply in writing, enclosing a full CV and stating current salary, to Helen Nagle, Recruitment Officer, SEABOARD plc, Grand Avenue, Hove, East Sussex BN3 2LS, quoting vacancy number 4757. Closing date for receipt of applications is 15th June 1993.

SEABOARD plc is committed to a policy of Equal Opportunities.

## SEEBOARD

### LONDON

## Insolvency Specialist

Coopers & Lybrand is the UK's largest firm of accountants and management consultants and our insolvency practice is a leading provider of insolvency services and corporate recovery advice. We need a professionally qualified insolvency specialist with at least 4/5 years post qualification experience covering the full spectrum of insolvency and pre-insolvency work. You must also be able to demonstrate successful involvement in a business development role as you will be required to act independently, in a dual capacity, handling a portfolio of cases and developing marketing initiatives.

Your technical expertise should be matched with knowledge of the work and structure of UK banks and other financial institutions.

In return, you'll receive a salary and benefits package associated with a firm of our size.

To apply, please send a comprehensive CV to Rita Cornfield, Coopers & Lybrand, St Andrews House, 20 St Andrew Street, London EC4A 3AD.

Closing date: 10th June 1993.

Coopers & Lybrand Solutions for Business

## Finance Director (Designate)

West of London

c£45K

A service-based distribution company, a UK leader in its field, part of an international group, seeks to recruit a commercially experienced FD. A member of a small executive board, this new role will have a wide brief in steering the planning, control and profitability of the company, as well as day-to-day responsibility for the Finance and Company Secretarial Department.

Current turnover at £25m is planned to double through acquisitions.

Applicants must be Chartered Accountants aged 35-45. Experience should include large volume transactions, activity based costing, and financial control of an autonomous profit centre with T/O of £20m+ with direct control of a finance department, working within a disciplined multinational. The successful candidate will have high energy, good communication skills and experience of acquisitions.

Send CVs to PRP, who will be forwarding details to their clients.

PRP, 174-176 North Gower Street, London, NW1 2NB.

(Quote ref 1000)



## CAREER MATCH

Reebok International is a major global business and market leader in athletic footwear and apparel, dedicated to innovation, superior products and quality. The International and European headquarters is shortly moving to new offices at Stockley Park near Heathrow. The following challenging opportunity has been identified:

### FINANCIAL CONTROLLER

This is a high-visibility management appointment at the centre of international financial operations.

Reporting to the Vice President, Finance, the Financial Controller will be familiar with the broad range of Controllership responsibilities in a fast developing business. The position will also entail working with external financial advisers and regulatory bodies.

Successful candidates are likely to be graduate qualified accountants in their mid 30's to early forties, and have international and operational experience. Familiarity with US financial practice will be a distinct advantage. The salary and benefits package will be attractive to senior practitioners.

Please write, quoting job reference 176 on the envelope, enclosing a full CV and details of your current remuneration, to:

St. James's  
Management Recruitment,  
33 St. James's Street,  
London  
SW1A 1HU.

## APPOINTMENTS WANTED

### PART-TIME FINANCE DIRECTOR ROLE

Sought by F.C.A. with strong track record including "Big 4" and corporate finance training and wide ranging commercial experience covering all aspects of financial management, personnel and corporate administration. "hands on", computer literate, up to date tax knowledge.  
Tel: 071-255 2337  
Fax: 071-637 0166

## APPOINTMENTS ADVERTISING

Appears every Wednesday & Thursday (UK) and Friday (in the International Edition only). For further information or to advertise in this section please call:

Andrew Skarzynski  
on 071-873 3507

Mark Hall-Smith  
on 071-873 3460

Teddie Strong  
on 071-873 3199

Rachel Hicks  
on 071-873 4798

JoAnn Gredell  
0101 212 752 4500

## Credit Manager, Europe Munich

Compaq Computer Europe, with sales operations in all the major European markets and annual revenues of \$1.9bn, forms a significant contribution to the Corporations global business in PCs and Printers. The opportunities & challenges of doing business in Europe have never been greater and the market, in which we are a leader, is one of the most competitive and dynamic you will find. Against this background we are looking to recruit an experienced credit professional with an international outlook.

Reporting to the European Treasurer and working with local credit managers and our corporate headquarters in Houston, Texas, your responsibilities will be the coordination and management of all credit issues across Europe. Most important will be the development of systems and procedures to manage and analyse risk, which will define the maximum business opportunities available to the company, and be flexible enough to cope with the many countries and cultures with whom we work. The negotiation and implementation of credit insurance will be a key responsibility. As a member of a small, versatile and key divisional team you will also be expected to become involved in the many issues dealt with by the European treasury operation.

You should possess the type of track record which will give you the confidence to work with highly experienced players in the field as well as a sound understanding of finance and company accounts. Knowledge of differing European credit practices would be a definite advantage. You should be prepared to extend your skills by supporting the full range of activities undertaken by the treasury group.

In return we offer a competitive DM salary and the opportunity to work in an influential team based in an attractive, central European location in the shadow of the Alps. A relocation package will be available where appropriate.

Please write, enclosing a full cv, to: David Leigh, Human Resources, Compaq Computer Europe, Postfach 810203, D-8000 München 81, Germany.

COMPAQ



## THE PROPERTY MARKET

## Controversial cornerstone

The upwards-only rent review is a pillar of property investment. But it must be reformed, says Charles Gordon

When Mr Robin Leigh Pemberton, the outgoing governor of the Bank of England, recently remarked that "upwards-only rent review clauses seem designed for a world which had the certainty of an upwards-only pattern of property values", he touched a raw nerve.

It was "an uninformed, impoverished statement that was greatly damaging to the industry", said Mr John Ritblat, chairman of British Land, the UK's fourth-largest property company by market capitalisation, at about £700m.

But Mr Ritblat can no longer turn a blind eye to what is an increasingly controversial cornerstone of property investment: that the upwards-only rent review is in need of reform.

The origins of the upward-only rent review clauses go back several decades. Until 40 years ago there were virtually no reviews built into leases. Originally leases were for 99 years or 99 years. These treble and double nines were later known as straight leases; that is, the same rent, often a peppercorn, was paid throughout the entire period.

The fight for stepped increases was launched by property analyst George Bridge of the Legal and General. He was supported by the Coal Board Pension Fund whose property adviser was Aubrey Orchard-Lisle of Healey and Baker, the property consultants.

Their campaign was prompted by the large number of sales and leasebacks on behalf of the retailers of the day such as Montague Burton, Charles Clode, Hugh Fraser and Edward Erdman. These retailing tycoons raised large sums by selling the freeholds of their stores and

leasing them back for 99 years; they then resold their 99-year leases but then renegotiated shorter leases.

Such activity in retail properties fuelled the initial impetus of the property upsurge of the early 1960s. Retail shares on the stock exchange soared while the shares of property companies climbed to similar levels.

The fact that institutions such as the Coal Board were losing out on the so-called straight leases incensed Mr Bridge.

In the face of fierce opposition from the retailers, Mr Bridge insisted on stepped increases, first every 33 years, then every 21, 14,

and seven years.

Eric Young, head of the Coal Board's property department, remarked years later that "it may sound ridiculous to think that we were sweating to get reviews at 33 and 66 years, but in this way we made a start".

In fact, property investment companies went much further than the institutions, introducing what has come to be known as the five-year upwards-only rent review clause.

This now notorious clause was designed not so much to come to terms with inflation but to evaluate the exact amount of rent to be paid on review, the evaluation being based upon "comparables", that is current market rents.

The increase in rental values dictated by the market could therefore be greater than the rate of inflation. In other words with more demand than supply and with, say, zero inflation, the rent review could still

operate upwards. Moreover, if the upwards-only review clause had been inflation-linked as is customary on the continent and not upon "comparables" (only new leases being subject to market forces), this would also have brought to an end the expensive renegotiations on "comparables" every five years. This argument every five years over reviewing "comparables" has been a curse of the property industry.

More than being inflationary, upward-only rent reviews may allow rents to be set lower than they would otherwise be because of the value of the clause to landlords.

By reducing market uncertainty they may also restrain rents and so stimulate investment and supply.

Any statutory regulation would inhibit the free operation of the market. Abolition of upward-only rent review clauses might hit capital values, which would be inequitable; such a move would also be deflationary as it would reduce the value of collateral against which banks lend.

Upward-only rent reviews have become a standard feature because they serve the interests of the market as a whole. They strike a balance between the risk of the landlord and his financial backers on one hand, and tenants on the other.

Rather than being inflationary, upward-only rent reviews may allow rents to be set lower than they would otherwise be because of the value of the clause to landlords.

By reducing market uncertainty they may also restrain rents and so stimulate investment and supply.

Any statutory regulation would inhibit the free operation of the market. Abolition of upward-only rent review clauses might hit capital values, which would be inequitable; such a move would also be deflationary as it would reduce the value of collateral against which banks lend.

## Uphill battle

than tenants taking new leases. In these circumstances, the market is unable to react to signals. Moreover, upward-only reviews may be inflationary if tenants are able to pass the costs of their high overheads on to consumers.

The paper's main criticisms of upward-only reviews are:

● Landlords are in a strong bargaining position when there is a limited supply of suitable property. This prevents tenants from freely negotiating their leases and forces them to take on an unreasonable share of the risk inherent in holding property.

● In periods of recession and low inflation, tenants with existing leases are locked into higher rents

than tenants taking new leases. In these circumstances, the market is unable to react to signals. Moreover, upward-only reviews may be inflationary if tenants are able to pass the costs of their high overheads on to consumers.

The paper's main criticisms of upward-only reviews are:

● Landlords are in a strong bargaining position when there is a limited supply of suitable property. This prevents tenants from freely negotiating their leases and forces them to take on an unreasonable share of the risk inherent in holding property.

● In periods of recession and low inflation, tenants with existing leases are locked into higher rents

than tenants taking new leases. In these circumstances, the market is unable to react to signals. Moreover, upward-only reviews may be inflationary if tenants are able to pass the costs of their high overheads on to consumers.

The paper's main criticisms of upward-only reviews are:

● Landlords are in a strong bargaining position when there is a limited supply of suitable property. This prevents tenants from freely negotiating their leases and forces them to take on an unreasonable share of the risk inherent in holding property.

● In periods of recession and low inflation, tenants with existing leases are locked into higher rents

than tenants taking new leases. In these circumstances, the market is unable to react to signals. Moreover, upward-only reviews may be inflationary if tenants are able to pass the costs of their high overheads on to consumers.

So whereas the original institutional pioneers fought to seek redress against inflation, property owners, characteristically, went straight for market forces. They did well and continued to do so until the property crash of the early 1970s.

Market forces have since caused havoc and we are now enduring possibly the worst property slump for some six decades.

Landlord power is much reduced; tenant power is strident, making exceptional demands and obtaining unprecedented concessions. Undue tenant power is poison to a well-regulated property investment market and, ominously, there are signs of long-term structural changes - break clauses, short-term leases, and, for the first time, upwards and downwards rent review clauses.

The upwards-only rent review has become academic, at least for the foreseeable future. And with the relatively new phenomenon of over-renting - where the current rent is substantially more than the actual rental value - income from prop-

erty investment has become more like fixed-interest stock, while purchases and sales have become more like financial transactions than property deals. Many institutions and entrepreneurs must be wondering why they ever went into property.

Institutions which were attracted to property investment for its long-term combination of rising income plus capital appreciation, are now wary of relying on what many believed to be inevitable rental increases.

Their sums will need to be reworked on the basis that property investment, the hybrid between fixed interest and equities, is, in today's global markets, more attractive as a fixed-interest stock than as an equity.

The upwards-only rent review, the reviled equity aspect of property investment, will prove to be of lesser importance than a higher initial yield; and the original aim to counter inflation may become the yardstick instead of "comparables".

The governor of the bank of England may yet have the last laugh.

Charles Gordon is the author of *The Cedar Story*, an account of the UK property crash of the early 1970s.

## Changes in property values (%)

	Retail	Office	Industrial	All
Year to	Year to	Year to	Year to	Year to
Month of	Month of	Month of	Month of	Month of
Apr 93	Apr 93	Apr 93	Apr 93	Apr 93
Rental growth	-3.8	-0.3	-17.7	-2.2
Capital growth	-3.3	0.0	-12.5	-0.8
Total return	4.5	0.7	-3.7	0.5
Current yields	9.0	10.3	11.5	10.0

Source: FID Monthly Index, Investment Property Database

## Find the most direct route into European property.

Interested in investing in European property, and especially in the United Kingdom?

If you are, you need someone who understands all the legal and regulatory issues to help seize important opportunities.

In other words, Lovell White Durrant, international lawyers.

With considerable specialist expertise in property investment throughout Europe, we can smooth the way.

We provide a blend of practical solutions, high professional standards and the confidentiality you'd expect from a world-leading law firm.

Moreover, with one of the largest networks of solicitors' offices in Europe - including some of the major capitals - we can also offer detailed local legal knowledge.

So you can be confident of finding the right property investment, on the right terms, wherever you're looking.

Of course, our expertise doesn't stop at real property. For advice on all aspects of business activity, including sourcing and negotiation of funding for property acquisitions, contact Lovell White Durrant.

You can obtain the full facts, by calling our partners Robert Kidby or Michael Stancombe at the address below.



65 Holborn Viaduct, London EC1A 2DY. Telephone: 071 236 0066. Fax: 071 248 4212.  
New York, Paris, Brussels, Prague, Hong Kong, Beijing, Tokyo.

### OFFICE BUILDING FOR SALE

135 Avenue Louise, Brussels, Belgium  
Total Area: 3054 sq. m.  
Offices: 2136 sq. m.



- 11 Floors
- Air Conditioning
- Double Glazing
- 2 Lifts
- 2 Staircases
- 17 Parking spaces

#### BASEMENT

- Cellars
- Car - Parks
- Strong - room

#### 1st to 10th FLOORS

- Offices
- Kitchenettes

#### 11th FLOOR

- Plant room
- Office

• PRICE: US \$6million

FOR FURTHER INFORMATION:  
BANQUE BRUXELLES LAMBERT S.A.  
Tel: (+32) 2 547 2823/2267  
Fax: (+32) 2 547 2803

### LUXEMBOURG

INTERESTING INVESTMENTS  
IN OFFICES AND  
OTHER REAL ESTATE PROJECTS

- Constructing property for commercial and residential use
- New buildings, high standard apartments
- Building sites

by the developers and constructors founded in 1928 in Luxembourg

- Construction and real estate know how
- Professional and experienced
- All projects with bank guarantee
- Tax benefits

LAZZARA IMMOBILIERE S.A.

179-181, route de Luxembourg

L-8077 BERTRANGE

Tel: 01 03 52/45 20 70 or 58 81 92

Fax: 01 03 52/45 87 65

### L.A. CALIFORNIA

Buy profitable hotels, office buildings, shopping centers etc and save time by our careful local preselection. Fax your requirements for free information. Fee paid by seller.

G.S. Rona, European Representative.

Fax: 0032-2-647.59.86 Tel: 0032-2-648.47.37.

### FIRST TIME OCCUPIERS - SW1

Join 20 other small businesses. Low running costs in attractive offices. 250 yards from Victoria. Flexible terms.

SPL 071 493 5566

### GRAYS INN ROAD

3,200 SQFT

Newly refurbished offices to let.

Rent only £9.50 p.s.f.

Keith Cardale Groves

071 629 8604

(w/ T.C.H.)

### KNIGHTSBRIDGE SW1

Fronting directly onto Hyde Park.

Superb self contained office suite to let.

Approx 2000 sq ft.

Melrose & Harwood

Tel: 071 499 0566

or Mark & Mark

Tel: 071 255 0041



W O K I N G

Simply Superior Offices

in Woking from approximately

2,830 - 34,100 sq ft

MORGAN

SMITHYES

0483 723344

ROBERT NEIL

& CO.

071-499 0678

### US Commercial Real Estate

### INTERNATIONAL SEALED BID SALE

Outstanding collection of commercial real estate assets throughout the United States to be sold on behalf of major US insurance companies, financial institutions and private sellers.

Offices Apartment buildings

Retail centres Recreational

Development land Industrial

Locations include:-

Key West Orlando Boca Raton

Atlanta Phoenix New York California

★ Seller financing available on many properties

★ Free catalogue available on request

★ Specific property information packs available

### SEALED BIDS DUE 28TH JULY 1993

For further information and free catalogue call

Richard Auterac, Jones Lang Wootton, London

Telephone: 071 493 6040 Fax: 071 457 3937



### United States

Commercial Real Estate

### SALE

Hotels Motels Shopping Centers Apartment Buildings Condos Office Buildings  
Industrial Investments Golf Courses Marinas Ski Areas

25% - 60% Discounted  
(of replacement costs)

Purchase real estate in the U.S. now. The dollar and prices may never be this low.

Attn: Kurt Grosser



Division Europe

555 Zang Street, Suite 300 Tel: (USA) 303-988-3585

Denver, Colorado 80228-1013 Fax: (USA) 303-988-4323

U.S. offices nationwide

### City Fringe Office Investment

### FREEHOLD

PLC. TENANT.

15 YEARS UNEXPIRED

£2.85M

10.75% INITIAL YIELD

CONRAD RITBLAT  
SINCLAIR GOLDSMITH

Chartered Surveyors - Property Consultants

071-486 6060

7-10 Chancery Street, London W1M 6AD Fax 071 627 5140

REF: BSB

### IF YOUR SQUARE FEET ARE KILLING YOU, ADVERTISE THEM IN THE FT.

The Financial Times is read by more European property decision makers responsible for office, industrial, retail and development property than any other newspaper or magazine.\*

Read that sentence again, and decide where your property advertising should appear.

Telephone Dominic Morgan on 071-873 3211

THE COMMERCIAL PROPERTY PAGES APPEAR EVERY FRIDAY.

\* EBR 1991



On the Instructions of  
The World Development Agency

An additional, detailed information package is available upon request from the retained agents, Healey & Baker, via JD Barber or PJ Thibault.

HEALEY & BAKER

071 629 9292

Two years ago Peter Randall was a British Rail depot manager at Slade Green near Dartford, Kent. His experience of France was limited to the occasional holiday and a French O-level.

Today, aged 33, he commutes weekly from his home near Folkestone in Kent to Calais in northern France where he is the Eurotunnel manager responsible for day-to-day maintenance of the company's wagon and locomotive fleet. Next year, when the tunnel operator finally starts running train services between Britain and France, he will be responsible for a staff of 160, most of them French.

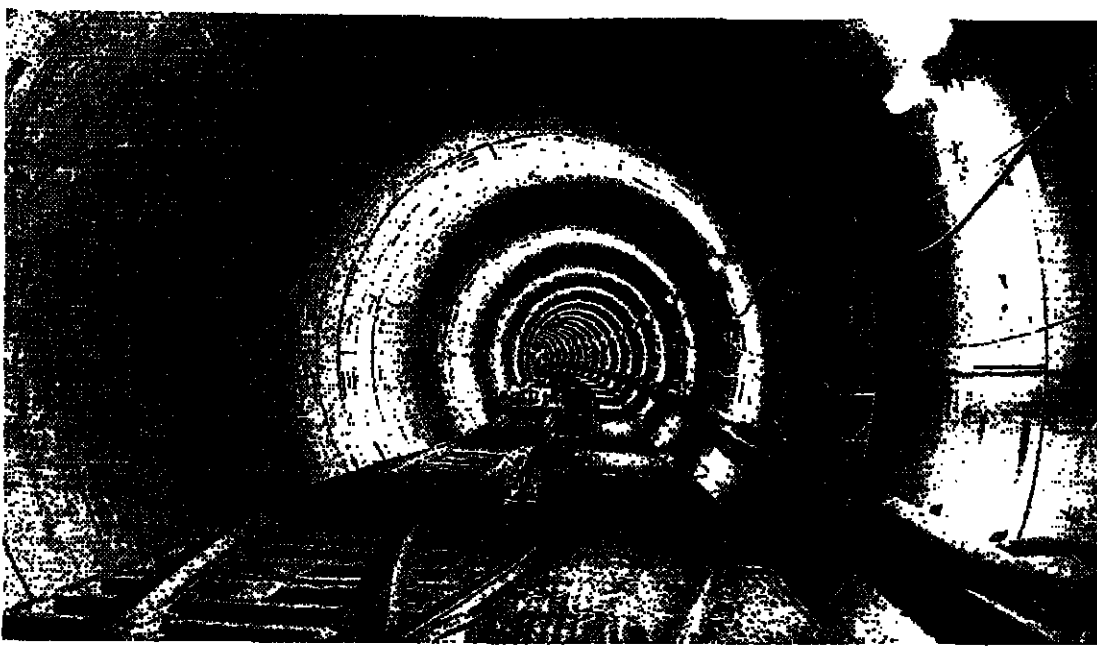
Quite apart from its continuing headaches dealing with combative contractors and nervous banks, one of the big challenges for Eurotunnel at the moment is to mould Randall and other senior managers into a new breed of cross-Channel executive. Eurotunnel's workforce is split evenly between British and French workers with different languages, cultures and lifestyles - but when it comes to senior jobs the group is anxious not to be overly influenced by a candidate's background.

Yes-Noel Derenne, Eurotunnel's director of human resources, says: "The aim is not to recruit a particular nationality for a particular post, but to get the right person for the job, whether they be British, French, German or from some other country. There will be some jobs, however, which we would expect to be filled by one nationality rather than another. The servicing of rolling stock (because this is based in France) would naturally fall into this category. Headquarters for security, on the other hand, will be based in Britain."

Not all jobs will divide so evenly. Engine drivers taking the 50km journey between the British and French terminals will be expected to be bi-lingual and will be drawn from both countries. Traffic controllers will also need to be fluent in English and French. The main control tower will be at Folkestone, but with a back-up in France. Staff working on a rota will switch regularly between Britain and France.

Even at the top - where national sensitivities are often greatest - the company has tried to choose the best people for the job. Among the five senior executive directors there are admittedly two Frenchmen and two Britons - one of whom, chief executive Sir Alastair Morton, was raised in South Africa - but Frank Cain, on secondment from engineering group Bechtel to run the construction side, is American.

Eurotunnel's workforce, small during the construction phase, is growing rapidly and currently stands at 900, more than double



Crossing the divide: Eurotunnel plans to establish a single management structure

## Breaking the executive mould

Andrew Taylor examines Eurotunnel's plans for a common corporate culture

that of a year ago. Eventually this will rise to 2,650 of which more than 90 per cent will be drawn from Britain and France. A small number of mostly sales staff will be based in other European countries.

Alain Bertrand, Eurotunnel's chief executive in charge of transport operations, says: "We do not want a competitive culture to develop, Britain versus France. Unlike other bi-national or multi-national companies, which have separate management operations in different countries, we supply a single service irrespective of which country the customer comes from."

"It is important, therefore, that we establish a single management structure and corporate culture in which safety and customer service are the main driving force rather than nationalism."

The ability to provide information to customers is very important: "All employees in contact with customers will have the equivalent of at least two weeks of language training," says Bertrand.

The aim will be to provide them with the basic phrases to cope with their job rather than speak fluent

English or French. Staff who want to improve further their language skills or switch from one country to another will be encouraged.

Language training is more intense for managers or engineers who need to be able to converse freely in English and French. Some of these are sent to live with English or French families while they attend intensive language courses for up to four weeks at a cost of £1,100 a week including accommodation.

Language is just one problem: "There are different laws and cultures affecting employees in Britain and France," says Derenne. "Some multi-national companies adopt the laws of whichever country they happen to be operating in. This is not feasible or desirable for us. We have decided to adopt a common corporate policy based on a combination of British and French laws, whichever works to the best advantage of employees."

"French companies, for example, are expected to establish works councils, comprised of workers representatives and management, to discuss problems and improvements

for staff. Eurotunnel has decided to establish a group-wide works council covering both French and British workers," says Derenne.

Cultural differences, of course, will not be so easy to reconcile. As Randall points out: "Britons like to go out for a drink after work. The French by comparison like to go home to their families first and may go out later."

In other respects, though, it will probably be a question of getting used to local custom.

Management in France, he says, tends not to advertise posts internally as is done in many British companies. Instead they will just promote the person they think most suitable for the job. But the result in most cases is the same.

Despite these cultural and sometimes procedural differences, Randall says that most of the problems brought to him are similar to those he faced when a depot manager at Slade Green.

"Staff want to know how much they will be paid, what holiday entitlement there is, what are the promotional opportunities and what happens when they are sick?"

CHRISTOPHER LORENZ

## Time for Cadbury to tackle high pay



AS spring gives way to summer, British bosses usually breathe a sigh of relief. The flood of annual reports becomes a trickle, ending the now customary "open season" for attacks on newly disclosed top pay rises. Company directors look forward to six months of gold-plated peace.

But 1993 may prove far less comfortable. This is not just because lower company performance seems to have given more than a quarter of them smaller bonuses, or none at all. Far more painful is that the pay controversy has ceased to preoccupy merely the meddlesome but ephemeral-minded media.

Instead, institutional shareholders are suddenly up in arms. From having always turned a blind eye, or cursed quietly behind the scenes, a bunch of activist institutions has burst noisily into public view. They were on TV last Sunday, demanding an end to various abuses and to the lax and over-long executive contracts which help create them.

Until recently, most representatives of the business world, other than the outspoken new head of the Institute of Management, were equally reticent. Then came last month's remarkable assault on his fellow bosses by Sir Owen Green, for decades one of the UK's most respected chairmen. He attacked them for "awarding themselves huge pay rises" no matter how well or badly their company performs - or how small a rise they give to the rest of their staff.

Inevitably, Sir Owen's onslaught has lent weight to misguided media criticism of almost any sizeable pay rise, however well justified. Obvious examples include the promotional increases announced in May for the new heads of demerged ICI and Zeneca.

But in many cases the general opprobrium is well justified. Take the string of over-the-top pay-offs to failed executives which have been disclosed in recent weeks, to the fury of reformist institutions. Then there was the golden "hello again" for Gerald Ronson:

an absurdly generous five-year contract worth £4.4m for the head of the receivership-threatened property group - fresh from his ignominious part in the Guinness affair, for which he was imprisoned and fined £5m. Institutional ire was stoked by the fact that the deal was approved by a bunch of supposedly upstanding banks and accounting firms.

Just as questionable and illuminating of the inadequacy of British corporate governance over such matters, was the ultra-generous pension enhancements and consultancy deal given to the recently retired - and highly respectable - head of Guinness.

It was piquant, to say the least, to see these arrangements being defended at the annual shareholders meeting last week by no less a figure than the former chairman of Rolls Royce Motors, who heads the committee of non-executive

to shareholder vote. It hid behind the argument that it did not see "how these suggestions could be made workable". What would happen if someone's package were voted down? And wouldn't executives be reluctant to join the company if approval were uncertain?

These excuses were always feeble. The new force of outside pressures means the Committee can now abandon them. It has no choice but to do so if it wishes to anticipate, and avoid, what its chairman called last Sunday "the heavy hand of regulation".

As soon as possible, Cadbury should adopt this agenda:

- Clarify that its recommended three-year limit on service contracts excludes rolling ones. Better still, reduce the term to two.
- Make its call last year for "full disclosure" mean what it says by borrowing the new formula of the US Securities and Exchange Commission. This requires the disclosure, in great detail, of each element of the "compensation package" of the five highest-paid executives; Cadbury requires far less data and about only the chairman and one other.
- Submit each person's package to shareholder vote. If this year's US experience is anything to go by, few packages would cause problems. Instead, companies would be forced to do their homework carefully in advance, tailoring packages within bounds of acceptability laid down by institutional shareholders, either in direct discussion or via specialist consultants - whose business is now booming in America.

In such an environment, only the most crass of top managers would be loath to join a company before their packages were approved.

● If, through poor anticipation or oversight, the occasional package was voted down, the executive concerned would revert to his or her previous year's arrangements - or be put on an equivalent of the UK inland Revenue's emergency tax coding.

Impractical? Unfeasible? You can bet your last half million pounds that a government regulator would find a way. So can Cadbury.

### Shareholders are suddenly up in arms and activist institutions have burst into public view

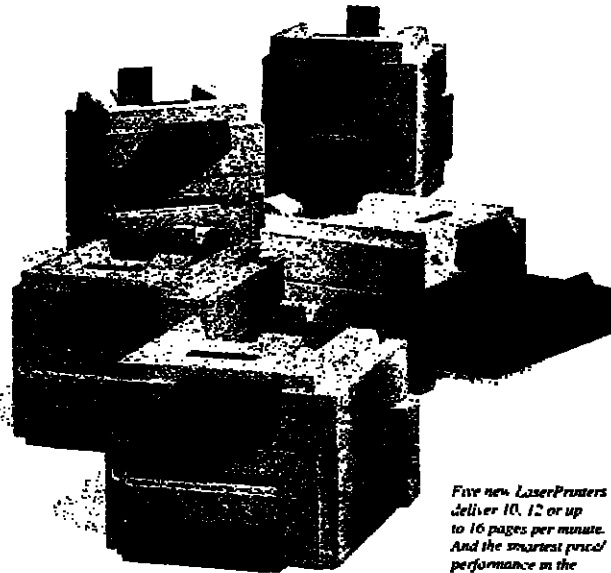
directors which sets executive pay levels at Guinness.

Remuneration committees dominated by non-execs have been touted by the establishment for years as the answer to pay abuses in British boardrooms. But how can anyone seriously have faith in a system where one highly-paid baron, no matter how respected, sits in judgment on another?

Which brings us to the Cadbury Committee on corporate governance. Though its Code of Practice takes effect on July 1, its work is far from done. Through a sub-committee which will meet to monitor compliance with the Code, it has the muscle to issue further "recommendations" whenever it likes over the next two years.

In order to foster outside support for the rest of its Code last year, the Committee pulled its punches on pay. This was in spite of pressure from certain institutions and some of its members, to have directors' pay made subject

Lexmark  
announces  
printers with  
the most  
intelligent  
feature ever:  
intelligence.



The advanced intelligence Lexmark builds into the new IBM LaserPrinter 4039 family is equalled only by the brilliant economics behind it.

To start, each of the five new LaserPrinters is compatible with PostScript® and PCL5, for no additional cost. And Lexmark's SmartSwitch chooses the right language for each job, automatically.

There's upgradable code, so you can add new capabilities. A compact footprint, to save space. Fast-thinking RISC processors. And an optional snap-on duplexer, for two-sided laser printing at a breakthrough price. 600 dot-per-inch printing is standard, with Print Quality Enhancement Technology and new PictureGrade processing, for superb print quality.

Lexmark's marathon performance print cartridge saves you money.

And these LaserPrinters have a real genius for networking. To fit smoothly into your LAN, and your LAN budget.

The new IBM LaserPrinters come from Lexmark, the independent, worldwide company formed from a division of IBM. And dedicated to a simple

design philosophy: listen to what customers want, bring it to market fast, and back it with quality, support, and responsiveness.

The new IBM LaserPrinter 4039 series. You don't need bigger, more expensive laser printers, just smarter ones.

Please return this coupon to:  
Victoria Green, Lexmark International Ltd,  
FREEPOST SL1 424 - Marlow, Bucks SL7 3BR.

I'd like to find out more about the IBM 4039 LaserPrinter family ☐  
I'd like to arrange a demonstration. Please call me ☐  
Please send me more details on the full Lexmark range of printer products ☐

Name and Title: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

LEXMARK

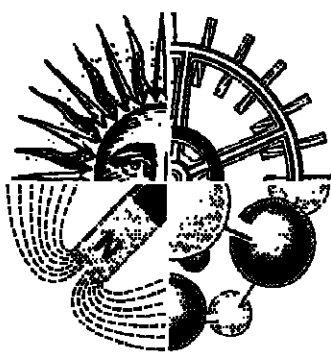
Make Your Mark

THE NEW IBM LASERPRINTER FAMILY. BY LEXMARK. PRINT SMART.



## TECHNOLOGY

## Worth Watching · Andrew Fisher



## Making the write impression

Do you need to dash off a quick note to creditors, angry customers or your bank manager? Or do you have to phrase a tactful redundancy letter?

CCA Software believes it can save small companies an average of eight man-hours a week with its new software package for writing letters quickly and correctly. The latter aspect is highlighted by CCA, which notes that sub-standard letters cost UK business millions of pounds a year in lost orders.

CCA's Effective Letters package, with a database of 400 letters, aims to cover almost all the correspondence needs of companies. It is compatible with all leading word processing software. "What we have set out to do is try to assist firms to fight back against the serious decline in the standards of correspondence," says Mike Cowley, a CCA director.

Effective Letters costs £29.95 plus VAT, with £1.50 postage and packaging. CCA hopes to bring out foreign language versions. CCA: UK, 061 480 9811.

## Tapping the phone lines for data

A wealth of business and financial information can be accessed from any UK telephone socket through a new interactive communications system, writes Ian Holdsworth.

Up to 45 services, including information on share prices in Dublin and London, credit ratings and company reports from Dun & Bradstreet and hotel and travel bookings, are available from the Network North system, a joint venture between ICL and Belfast-based CFM computer services.

The network, accessed through a small terminal which plugs into a phone point, also offers

telebanking and teleshopping. Developed with help from British Telecom Northern Ireland, it can link into similar systems in other European countries.

Terminals cost £7.50 a month to rent. They can be bought for £120 in Northern Ireland with an EC subsidy or £240 in the rest of the UK. Network subscription is up to £40 a year and most services are charged at 6-15p per minute. Software to convert a PC into a network terminal costs £25. Network North: UK, 0265 848962.

## Knowing the laws of know-how

Some western companies which plunged into central and eastern Europe when communist regimes crumbled are now hardened or disillusioned by the realities of doing business there.

For investors still determined to succeed, Baker & McKenzie, the worldwide legal firm, has produced a guide to intellectual property laws in Russia, Latvia, Lithuania, Estonia, Ukraine, Hungary, Poland and the Czech and Slovak republics.

"The continued growth of economic activity depends upon the flow of ideas, of technology, as much as on the flow of goods," says the free booklet.

Baker & McKenzie: UK, 071 919 1000.

## Big Brother is watching

Sales staff, traders, and analysts in banks and securities houses are used to having their performance monitored - but probably not to the extent envisaged by Synchronicity, a London-based software house.

At a glance, managers using its Profit-Line system can see on screen the cost, performance and profit ratios of their employees and decide how best to direct their efforts and make them most productive. The information can be viewed in grid format, against time taken for work, or ranked by performance, with the analysis carried out hourly, daily, weekly and monthly and targeted to sales employee, customer, analyst, trader or deal.

Synchronicity claims one decision made with Profit-Line's analysis could save far more than its £10,000 cost. Synchronicity: UK, 071 729 6404.



A DECADE of work by Vatican restorers has removed nearly five centuries of ancient and modern grime from Michelangelo's frescoes in the Sistine Chapel, writes Andrew Baxter.

But now that the frescoes are clean, how can they be kept so when subjected to the breath and body heat of 2m visitors each year? Today, Pope John Paul II officially accepts the answer - a completed air treatment system for the Sistine Chapel from William Frago, president of Carrier, the world's largest air conditioning manufacturer.

Years of research by Carrier of the US and the Vatican's own experts have gone into designing a system that is effective and discreet. Temperature and air flow studies indicated that warm, moist air was rising up towards the ceiling every morning as doors opened and visitors flowed in. The warm air spread across the ceiling, then cooled and descended, leaving behind moisture and dirt on the frescoes. Excessive moisture would encourage the growth of mould and the formation of salt deposits.

The solution, therefore, was to install a system that provided a clean, stable microclimate for the frescoes. Control of relative humidity is the most important aim, because large swings allow water movement into and out of the plaster. Minimising overall temperature differences reduces expansion and contraction of the fresco material.

A Carrier air handling unit delivers fresh air which has been filtered, washed and processed before entering the Chapel through diffusers under the south windows, about 15m up. These create two air flows, one of low velocity which flows over the surface of the frescoes, and a second which effectively bathes visitors with a "shower" of clean air at floor level, where the air is extracted. The windows will remain closed to Rome's noise and pollution.

Two computer terminals, one in the Vatican's energy centre and the other with the restoration scientists, allow information from the system to be stored and evaluated, to ensure the frescoes retain their new-found sparkle.

## Teeing off with virtual golf

Japan's players are competing on screen, says Michio Nakamoto

Japan's golf lovers cannot seem to get enough of the game, despite the high prices and traffic jams they must bear to indulge their passion.

Technology, however, has stepped in to take some of the trouble away for the avid golfer intent on conquering his favourite course complete with lakes, trees and bunkers.

The Tour Simulator golf machine developed by Mizuno, a Japanese sports goods company, recreates a round of golf on famous courses, taking the player from starting tee to finishing green with the help of a screen, two computers, cameras and a laser disc player. The system can be set up in any room big enough to allow four players to hit a golf ball against the 3m-high canvas screen.

The game starts with the players choosing one of the courses Mizuno has captured on laser disc in 3,600 photographic images, or 200 photographs per hole.

A long-distance view of the course comes on screen. Players choose how many holes they want to play, the tee position and even the speed and direction of the wind they prefer to battle against.

When the first hole comes on screen a voice describes the hole and offers advice on how best to tackle it. After the player has hit the ball, it is shown on the screen as it flies through the air and lands somewhere on the fairway.

For the visual representation of the ball's flight, the screen uses data provided by a computer which has calculated exactly how and where the ball would have flown, depending on the strength and angle of the player's stroke.

When the player hits the ball, his swing is photographed by two cameras using high-speed shutters. One of the cameras is set up to the side of the player to capture the speed and angle of the ball while the other camera is fixed to the ceiling and captures the direction of the ball from above.

A microphone on the ground by the tee alerts the camera as the player hits the ball and triggers a high-speed strobe light which flashes several times per second.

The multiple images that are captured are then sent to an image interpreter connected to a computer.

The computer analyses the speed of the ball and the distance travelled. It then tells the laser disc player (which stores images of the golf course) where the ball should have landed based on data such as the angle at which the ball was hit, the speed and direction of the ball, and the chosen speed and strength of the wind.

Using that data, the laser disc player chooses a view of the golf course where the ball should have landed and projects it on to the screen.

The distance to the hole and the player's score up to that point are given on the screen.

There are other treats such as contours that faithfully recreate each particular green on the chosen course and a movable tee to simulate the difficulty of hitting a ball that has landed in the rough.

If the ball should, according to the computer's calculations, have landed in the lake, the screen image and sound of splashing water will recreate that, too.

The system uses conventional 16-bit computers with software developed specially by Mizuno's engineering and development department, a division of the company which also developed shoes for the athlete Carl Lewis.

Mizuno engineers took a year to develop the virtual golf system, which costs ¥13m (£78,000) and has been installed in 40 places throughout the country. Similar systems have been developed by other manufacturers.

But virtual golf is not a Japanese idea. It was thought up in the US by Ingolf of California: to enable golfers to practise swings in their garages. Ingolf, also active in Japan, now plans to link up its indoor golfing plazas around the world by satellite and computer networks so that teams can play each other.

Considering the size of the average Japanese home, the next high-tech hit in Japan might be a virtual American home.

## EuroBusiness

essential reading, here and now

June edition on sale now

Letters to the editor	5	Digest	56
COVER STORY		A round-up of the month's major business stories	58
The job shuffle		Agenda	
Jobs are shuffled between countries by international companies as unemployment rises around Europe	8	And what to look out for next month	60
BY IAN COYLE		EC legislation	
Features		A guide through the hoops of EC legislation and what it means for business	62
Prodi's proud return	16	Concessions	
Mr Prodi returns to Italy to give the company a clean bill of health		Our expert answers your questions about the Single Market	62
BY ANGELO ALLEGRI		EVERY MONTH	
Japanese accelerate into Europe	18	Language Learning to live with it	64
As Japanese car makers redraw the road map of Europe, indigenous car-makers plan their strategies for survival		Doing business across borders would be so much easier if only we could	
BY KEVIN EASON		BY IAN WILLIAMS	
Life in dry docks	26	Enterprise: A savoury eighty days	68
Yachts, once accessories of the rich, have become liabilities to the boat-wards. This fragmented industry will have to build its future on more than dreams		The British penchant for eating snacks is making money for its small food	
BY STEVEN ALEXANDER		BY HENRY WOOD	
Breaching the Black Sea	30	Investment	
Pollution is depriving Europe's dirtiest inland waterways of its tourists and fishing industries		Euroshare: why shareholders would like it if Phillips divested itself of part of	70
BY MICHAEL GREEN		Alternative investment	
Gateway to east Europe	32	Macallan is inviting bids for 12 bottles of 60-year-old whisky	72
Foreign firms are being encouraged by economists to break into traditional German markets		BY HENRY WOOD	
BY IAN REICHLIN		Technology: The personal touch	74
Rivers of fine wine	38	The latest executive toy—hand-held computers, which combine a computer and telephone in a palm-top machine	
Blue-blooded and red-bodied. Bordeaux's wine-makers and their claret have taken over at the French supermarket		BY IAN WILLIAMS	
BY IAN REICHLIN		Picking up the pieces	75
Life after Houda	42	European economies are already more integrated than is often understood (followed by statistics page)	
The Albanians are trying to rebuild their fragile economy against a background of suspicion from outsiders and an impoverished infrastructure		BY IAN WILLIAMS	
BY IAN REICHLIN		Business travel update	79
EUROMONITOR		A round-up of the latest business travel deals	80
Analysis		Isabel: Back to the bath house	82
EuroBusiness looks at privatisation, new buildings for the European Parliament and the Council of Ministers, VAT on air, for the Bank of France, Dutch independence and Barclays' uncompetitiveness and Barclays' City headquarters	48	The sultans' city has found a new swing	
		BY IAN WILLIAMS	
		Euroevents	86
		A guide to arts, sports, exhibitions and business events around Europe's major cities	
		Hiring, firing and casting in...	
		and spilling the beans	
		EDITED BY IAN WILLIAMS	
		The Japanese time bomb	90
		Japan shows few signs of removing its trade barriers	
		BY IAN WILLIAMS	

available at leading newsagents  
for subscriptions telephone 071 409 7009

## PEOPLE

## Pennell takes on the privatisation of British Coal

Whatever problems Christopher Pennell faces as the new head of privatisation at British Coal he will not have to spend much time getting to know his opposite numbers in the Department of Trade and Industry and at Samuel Montagu, British Coal's advisers.

Pennell, 45, was educated at Oxford as was Peter Loughhead, 42, head of the coal privatisation unit at the DTI. Meanwhile, Pennell did a stint as principal private secretary to former National Coal Board chairman Lord Ezra, as did Peter Jones, 39, who is now on the Samuel Montagu team.

Compared with his last job of looking after British Coal's £1bn-a-year purchasing budget, Pennell's new privatisation

unit is very small. Instead of 1,100 staff he will have just five people working with him, although he will be calling on the resources of the rest of the corporation. The two other key British Coal officials are Ian Forrest, 45, and David Merrick, 46. All three men are British Coal veterans, as is Ray Proctor, 48, British Coal's new finance director, who will retain overall responsibility for privatisation at board level.

Pennell, who will split his time between his base at Eastwood Hall in Nottingham and British Coal's London headquarters, divides his new job into three sections. The first, and "most pressing" part is to deal with the 20 collieries that are being closed down and



offered for sale. Four collieries have been advertised already and Pennell's team will look

after the tendering process. The second part of Pennell's job will be to see whether it is possible to privatise any stand-alone parts of British Coal ahead of full privatisation. But the main part of Pennell's job will be to drive British Coal's side in the government's planned privatisation. The difference here is that it will be the government, and not British Coal, which is the vendor.

Unlike other nationalised industries that were privatised, such as British Telecom, Pennell does not think there is much chance that British Coal will be floated on the stock market. He believes it is more likely that it will be privatised through trade sale of all or parts of the business.

## Scottish Office servant to head Whisky Association

The Scotch Whisky Association, which spends most of its time lobbying the British and other governments on behalf of the Scotch whisky industry, is appointing Hugh Morison, a senior civil servant at the Scottish Office, as its new director-general. He will succeed Bill Bewsher, who has been director general for 21 years, when he retires at the end of the year.

Morison, 49, is currently under-secretary at the Scottish Office Industry Department, concerned mainly with assisting Scottish companies.

As with other officials who have made their way up the Scottish Office, he has worked in several of its departments. But, he says, he has got a "real buzz" recently from dealing with the private sector. He decided to join the SWA when he learned that, in his next Scottish Office post, he would not deal with economic issues. Morison is a Scot though he

was born in Bognor Regis. "My family was part of the Scottish diaspora," he was a non-executive director of Weir Group, the Glasgow-based engineering company, under the scheme whereby civil servants and private sector companies are encouraged to become better acquainted.

Bewsher, his predecessor, has combined the doggedness of a lobbyist with a gift for getting on with almost everyone, from the gentry (of which he is a member) downwards.

While Bewsher has run the SWA, it has won cases in the European Court of Justice against France, Italy, Denmark, Ireland and Greece over discriminatory treatment of whisky. In 1987 it achieved a GATT ruling against Japan's highly protectionist spirits regime. The whisky industry, he argues, needs someone "who knows at first hand the machinery of government".

## Nomura International replaces its president

Nomura International, which has experienced a difficult year with the flop of the GPA flotation as well as hefty staff reductions at the end of last year, sees its president, Tazuo Kondo, moving to Hong Kong and replaced by his deputy, Takashi Tsutsui.

Nomura stresses the shift is routine, part of the rotation of senior executives, and that it "would be a mistake" to make any connection with the GPA fiasco, in which Nomura acted as global co-ordinator in the aborted \$600m issue. "He has done his normal tour of duty," a spokesman added.

But it has been a tough year for the London and of Japan's largest securities house. Unofficial estimates of results for the year ended March 1993 published on Wednesday in the Nihon Keizai Shimbun newspaper say Nomura International lost ¥5,550m (\$60.8m), after a ¥1,180m (\$11m) profit in the previous 12 months.

Kondo, 44, moved to London in 1989 as deputy managing director of Nomura International. He became president in March 1991, when he also joined the main board of parent Nomura Securities.

Meanwhile, co-president John Rowland-Jackson stepped down in January to join NatWest Markets. Nomura says it is looking outside the organisation for a senior European executive to replace him.

Tsutsui, 43, deputy president since early last year, has been in London since mid-1991. Unlike Kondo, he is not yet a board member of Nomura Securities.

Kondo's new job is as head of the Asia and Oceania division. Whilst outside observers questioned whether this represented a promotion, Nomura responded that the position entailed responsibility for a geographically larger, and considerably more profitable, area of the group.

**INVESTORS CHRONICLE**

On sale every Friday

**Save On Software**

Latest Releases from just £40.00...

Windows Software	Lotus Organizer	Amiga 3	MS Works
Word 2	CorelDraw	CAD 12	Windows 3.1
WordPerfect	Style Elite	MathCAD	Windows 3.11
Formrunner	Sage	Ventura 4	Windows 3.11
OmniPage	Pagemaker 4	Quark Express	Windows 3.11
Pagemaker Pro	Pagemaker 6	Packard	Windows 3.11
Autocad 6	CorelDraw 3	Timeclock 3	Windows 3.11
Athorcad			

...and Many Many More In Stock

Q.I. Ltd. Phone 071-379 3939 Fax 071-4973708

69-70 Long Acre, Covent Garden, London WC2E 9AS.



## Deanna Petherbridge visits the Austrian Museum of Applied Arts Return of the big Mak



American 'hot property' Jenny Holzer designed this Biedermeier and Empire style gallery

**M**ak - big Mak, new Mak, wonder Mak - has just re-opened in Vienna after extensive refurbishing. Mak is the acronym for the Austrian Museum of Applied Arts and, inspired by radical concepts of museum presentation, 11 artists have been brought in to design the new gallery installations. The results are daring, controversial and beautiful.

This is the latest in a series of museum and historic building renovations (the Albertina is the next in line) which have returned Vienna to a state of magnificence. Mak, however, is not just a refurbished building but an innovative and informed response to the big museum question: how to make a historic collection relevant to present day concerns.

Originally named the "Austrian Museum for Art and Industry" in 1864, the museum was modelled on London's Victoria and Albert Museum and housed in a custom-designed neo-Renaissance building on the Stubenring. As well as its magnificent furniture, woodwork, glass and ceramics it has valuable Islamic and East Asian art and carpets and a large library and archive, including that of the Wiener Werkstätte. Since the appointment of Peter Neover as director in 1986, contemporary exhibitions and installations by international artists have made this one of Vienna's liveliest venues. Magdalena Jettl, some years ago filled the decaying central courtyard with mounds of red sand as if the museum were adrift in a desert and Vito Acconci is now exhibiting a grand and intricate installation, "The City Inside Us", which subverts the architectural language of the building - an often unsubstantiated claim of installation artists.

"Mak intends to play its part as a responsible social institution in the formation of cultural values," writes Neover in the new museum guide. Part of reconstituting such values was to invite contemporary artists to collaborate with curators in the selection and re-presentation of the collection rather than to use architects.

The notion of Donald Judd, high priest of minimalism, making an

installation of ornate Baroque, Rococo and Classical furniture and objects might seem bizarre, and Judd's catalogue statement reveals some uneasiness. Nevertheless his placing of a few carefully chosen pieces of baroque furniture and decorative panels within a vast marble space is seductive and frees the spectator to enjoy the period elaboration of each piece away from associated clutter. Judd's dialectic of opposites - more wrapped within less - finds central expression in the free-standing room within a room, the 18th-century porcelain chamber from the Dubsky Palace in Brno, whose glowing rococo interior is encased within a cool stucco exterior. The gallery is topped

with its original skylight by the 19th-century architect Heinrich von Ferstel, and the cleaned neo-Renaissance surround also gains richness in this clear aestheticised space. All 11 gallery installations depend on a high degree of selectivity, but Judd's presentation highlights a dilemma. Most contemporary museums, with rarefied displays of a few objects, rotate them. But with intervention from artists, the choice of objects is presumably sacrosanct and unchangeable. However, each gallery has a study room for the visitor who wants to explore further.

The limitation of choice is avoided in the Wiener Werkstätte gallery designed by Viennese sculptor Heimo

Zobernig with curator Elisabeth Schmuttermeyer, which presents the museum's entire holdings. The artist has designated the gallery space as a simple spatial geometry of orange, white and grey/black (colours associated with the movement), reflecting the underlying geometric impulse of the 1903 design workshop of Josef Hoffman and his partners. The workshop archive (including designs on paper, fabric samples, photographs and model books) is arranged in a double level of shelved cupboards along one wall, and decorative objects are exhibited in an array of historic display cabinets.

In the "Historicism and Art Nouveau" gallery, New York artist Bar-

bara Bloom shows Thonet bentwood chairs to witty advantage by placing them in two rows down the sides of the long gallery, behind translucent screens. The chairs' sinuous curves are projected on to the screens as linear shadows, and the spectator, viewing either the chair or its typical silhouette is encouraged to bridge that sometimes difficult-to-grasp gap between two-dimensional design and object, between the conceptual and the experiential.

American "hot property" Jenny Holzer has been let loose on the Biedermeier and Empire style gallery with curator Christian Witt-Dorring. This has not turned into a subversion of 19th-century bourgeois values, as the original architecture marries all too easily with furniture from its own time. However there is something disconcerting about the array of heterogeneous furniture dispiritedly displayed along the terracotta walls and in a line down the centre of the gallery, which challenges standard notions of museum theatrics.

The difficult dynamics of super-selectivity rather than encyclopaedic display are seen to best advantage in the "20th-century design and architecture" gallery, designed by Viennese sculptor Manfred Wolkolobing with Peter Neover as curator. Contemporary chairs, including Frank Gehry's 1988 witty corrugated cardboard "Hole in One" chair, architectural models, drawings and a room installation by Jasper Morrison (part fictive, part real), are given real and psychological space in this gallery, stylistically a sort of innocuously minimal post-modernism.

In Mak's visual world, so carefully articulated in relation to history and contemporary critical debates, there are no insuperable boundaries between Austrian and international artists, between high and low art, scholar and artist, maker and curator. The museum presents a Utopian moment which has come at a very interesting juncture in Austria's cultural and geographic reconstruction. It remains to be seen whether the public will forego the joys of traditional serendipity for such sophisticated games.

She looked gracious, elegant, pretty, never sounding less than confident and comfortable. Also outstanding was Siegfried Vogel, a magisterial Le Roché. Other characters were barely sketched, and - apart from Rosemarie Lang's Claron - undersung.

Jonathan Miller's production, designed by Peter Davison and Sue Blane, was set in a bombed-out Munich rehearsal hall. Before a note was heard, the cast and attendants gathered on stage to the sound of a German wartime news broadcast (complete with the war-theme from Liszt's *Les Préludes*). After the sound faded, Strauss's serene string sextet started up and the "rehearsal" began in period costume.

The performance was clumsily staged and littered with unnecessary ideas. At the final curtain, the sight and sound of an allied air raid loomed through the crumbling back wall, and the cast reassembled to watch in silence. The only authentic touch missing from this crass, charmless setting was the cry of Hell Hitler!

Andrew Clark

As her maquette is strong. Yet these and other flaws hang light in the scales. I loved the detailed ensemble playing in the big trial scene, the sense of Venetian opulence, the vivid sweep of the whole satire. As in *Othello*, 20 extras help to swell the big scenes. And Alexander's decision to bring the front of the Rep stage right forward beyond the proscenium arch continues to pay dividends. Stagings now project here so surely that I relish the whole balance of steep auditorium and deep stage. In three months Alexander has made the Rep, whose acoustic I used to dread, a theatre I look forward to revisiting.

Alastair Macaulay

Birmingham Rep until June 26

## Musical theatre Sweeney Todd

**P**erhaps Stephen Sondheim really is a minority taste: attempts to find a tape or record of his original *Sweeney Todd* in London last weekend failed utterly even at shops that claim to have practically everything. *Assassins* flopped in New York and the brilliant production at the Donmar Warehouse early last year turned out to have only minority appeal.

*Sweeney Todd* was a limited success when it was first played in London 13 years ago, but suffered from being exposed to the vast size of the Drury Lane Theatre. The Royal National Theatre's revival goes to the other extreme and confines it to the very small space of the Cottesloe, which will make a lot of people cross because it means that there aren't many seats and most of them were sold in advance.

But apart from that, Mrs Lincoln, how did you enjoy the show? The answer is that it is 90 per cent terrific. No company in Britain is likely to match the RNT when it pulls out all the stops, which in this case include an organ. As a programme note admits, not even the RNT could have deployed so many resources without "a lavish and inspired donation from the Mackintosh Foundation".

The cast includes a chorus which is there not mainly to sing. Most of the time it simply moves, observes and registers reactions. This is wonderful ensemble playing.

Afficionados will most admire the music in all its considerable variety. Some of the scores and lyrics could not come from anyone but Sondheim. He has a way of writing an eight-syllable line followed by one seemingly shorter; sometimes he does it with a five then a four. Often he complements it with an off-rhyme. Listen to the marvelous "Do they think that walls can hide you? Even now I'm at your window". Sondheim is a complete master of this form.

Then, just when he may be becoming predictable, he switches to another style. You

will pick up a lot of references to other musicals in *Sweeney Todd*. The Johanna song, beautifully sung as the barber slits the throats, reminds you of Maria in *West Side Story*. Mrs Lovett's jolly and romantic "By the Sea" stirs memories of "The Surrey with the Fringe on Top" in *Oklahoma*. And Sondheim feeds on himself. The "Nothing's going to harm you" song in *Sweeney* is remarkably close to his "You are not alone" in his later *Into the Woods*.

At the Cottesloe, the musical star in a production where no one falls below par is Adrian Lester as Anthony, the good friend to Sweeney. He has a voice to which you could listen all night, but you can never overlook the support, sometimes the virtuosity, of the nine-strong orchestra.

There is acting to go with it, comedy as well as melodrama. Here the star is Julia McKenzie's Mrs Lovett, who has nearly all the best lines - "the worst pies in London" and "just a couple of rats gone home to Jesus". Alun Armstrong's Sweeney is the hardest part of all because, for all his butchery, he is simply a straight male lead. I don't think he quite manages the shifts from the thirst for vengeance to becoming almost respectable and back again. But perhaps the fault is in the writing. It is not quite clear whether Sweeney is a hero or a villain. True, he can be a bit of both, yet it is a question which Declan Donnellan's otherwise admirable direction has not fully resolved.

The other slight failing is overdoing the macabre. The cannibalistic song at the beginning of the second act where everyone munches the pies should be omitted for reasons of taste as well as length. Others may object to the mounting tide of blood. A whole bucket of it is poured down a drain at the front of the stage, and when Judge Turpin is killed it spurts sideways like a burst hose at full blast. There is a distinction between a desire to shock and simply showing off.

Malcolm Rutherford



Alun Armstrong (left) and Denis Quilley

## Opera in Berlin

# Capriccio and Meistersinger

it provokes a thoughtful response from German audiences. Occasionally it illuminates. The programme books offered stimulating perspectives. But what the performances bore out was that no two operas could be more remote from the atmosphere of the 1940s.

*Meistersinger* at the Deutsche Oper suffers least, if only because Götz Friedrich leaves most of his production ideology where it belongs, on the drawing board. He confines his moralising to the overture, flashing up an image of Nuremberg in ruins - a grim 20th-century symbol of the ill-fated *Sachs's "Wahn"* that befall a society which succumbs to chauvinism and democratic chaos.

For the rest of the evening, Nuremberg assumes a Biedermeier setting of around 1835 - when Wagner himself witnessed a riot there, and the Act two finale of *Meistersinger*

begun to germinate. The central motif of Peter Szykora's decor is a giant lens, with models of Nuremberg's townhouses bunched along the bottom curve. A circular pane of patterned glass provides the backdrop for Act one. Act two is a dingy townscape of prefabricated boxes - lacquered, like all Szykora's designs, in unremitting Prussian blue. The Festwiese could have been an aircraft hangar or a sports hall, with the chorus ranked on stands tucked away in the wings.

Not a glimmer of Romanticism - nor much humour, which never was Friedrich's strong suit. On the credit side, the character-quicks of the *Meistersingers* are beautifully etched, and the Act one singing trial is a delight. Beckmesser, sung by Elke Wilms Schulte without a hint of caricature or vulgarity, is a tragic-comic figure more interested in Pogner's money than his daughter. Pogner is majestic

ally brought to life by Jan-Hendrik Rothering. Wolfgang Brendel, in an extremely promising role-debut, portrays Sachs as a well-coiffed, clean-shaven young philosopher-cobbler, and the voice carries handsomely. Eva Johansson was the delectably plump Eva, Paul Frey a frayed-at-the-edges Walther. The Act three quintet was one of the best I've heard.

That reflected well on the Deutsche Oper's new music director, Rafael Frühbeck de Burgos. He secured clean, sensitive playing from the orchestra. The performance was brisk and unfussy. All it lacked was a sense of pathos.

Much the same could be said for Hartmut Haenchen's conducting of *Capriccio* at the Staatsoper unter den Linden. The rich textures of Strauss's orchestra were eloquently unravelled, the singers never covered. Yvonne Kenny's debut as Countess Madeleine

was an unqualified success. She looked gracious, elegant, pretty, never sounding less than confident and comfortable. Also outstanding was Siegfried Vogel, a magisterial Le Roché. Other characters were barely sketched, and - apart from Rosemarie Lang's Claron - undersung.

Jonathan Miller's production, designed by Peter Davison and Sue Blane, was set in a bombed-out Munich rehearsal hall. Before a note was heard, the cast and attendants gathered on stage to the sound of a German wartime news broadcast (complete with the war-theme from Liszt's *Les Préludes*). After the sound faded, Strauss's serene string sextet started up and the "rehearsal" began in period costume.

The performance was clumsily staged and littered with unnecessary ideas. At the final curtain, the sight and sound of an allied air raid loomed through the crumbling back wall, and the cast reassembled to watch in silence. The only authentic touch missing from this crass, charmless setting was the cry of Hell Hitler!

Andrew Clark

As her maquette is strong. Yet these and other flaws hang light in the scales. I loved the detailed ensemble playing in the big trial scene, the sense of Venetian opulence, the vivid sweep of the whole satire. As in *Othello*, 20 extras help to swell the big scenes. And Alexander's decision to bring the front of the Rep stage right forward beyond the proscenium arch continues to pay dividends. Stagings now project here so surely that I relish the whole balance of steep auditorium and deep stage. In three months Alexander has made the Rep, whose acoustic I used to dread, a theatre I look forward to revisiting.

Alastair Macaulay

Birmingham Rep until June 26

## Theatre

# Volpone

here a comic monster. The scenes involving Sir Politic Would-be and his wife (all omitted by Hytner) are here made hilarious.

Everything is so lucid and onward-moving that it hardly matters that several central roles are miscast. Or that Alexander has cut not only such songs as Jonson's *Calculus translation* "Come, my Celia, let us prove" but also Volpone's three special minims - his dwarf, hermaphrodite and eunuch. Or that Alexander and Surrey somewhat diminish the play by locating it (like Jonathan Miller's *Merchant of*

Venice) at the turn of the last century, with café society, boaters, and frock coats.

Bernard Horsfall plays the title role like a skinny Rastafai - scurrying, lofly, urbane, an amusing still hub of the action, warmest when in his cups. But he is a Volpone/fox neither cunning nor predatory. He lacks the acid for such remarks as "women and men of every sex," and he is too obviously the passive dupe of the parasite fly, Mosca. In which role Gerard Murphy is not just wrong - impossible to imagine him either buzzing or flying - but also over-indulges all his worst hark-at-me mannerisms: the odd back-of-the-mouth tone formation; the unsuspicious delivery of even so simple a line as "Do so". By contrast, Andrea Mason's Celia is coarse and under-refined, her elocution as weak

By some strange fluke, there is a rush of Venetian premieres in the Midlands this week. New productions of Jonson's *Volpone* at the Birmingham Rep, and at Stratford-upon-Avon of Shakespeare's *Merchant of Venice* and Goldoni's *The Venetian Tinker*. (Even Matthew Hart's new work for Birmingham Royal Ballet featured Venetian blind.) In several ways, Bill Alexander's *Volpone* staging is a sequel to the *Othello* with which, in March, he launched his new Birmingham Rep regime. And where does Act One of *Othello* take place? Venice, city of intrigue, lawsuits and (in the Renaissance) finance.

Jonson's satirical farces are tight, neat, unromantic affairs, far from Shakespeare's larger-spirited, more varied, ironic and lyrical comedies. As long as you cut it judiciously, *Volpone*

is a remarkably playable comedy, and it adapts smartly to different stagings. This *Volpone* is as fine as Nicholas Hytner's 1990 staging at the Almeida in London. Where Hytner evoked the intimacy of Venice by having water swirling around the perimeter of the small stage area, this one evokes the city's scale, with an arching bridge looming high above the Rep's large stage. The designer, Kit Surrey, has taken his basic *Othello* set - huge tiles lining floor and walls - and dyed it brown and gold.

This production's skill lies in contrasting public and private scenes, in telling the story with robust vitality, and in giving surprising comic emphasis to several supporting characters. Corvino (Jamie Newall), whose grossly misogynistic treatment of his wife Celia can be so disturbing, is

adaptation by the Handspring Puppet Company of Johannesburg, entitled *Woyzeck* on the Highveld (tickets and information tel 89-291744).

Since it was founded more than 30 years ago, the Israel Festival in Jerusalem has developed into the country's main international cultural event. This year's programme features the Komische Oper, Berlin, with the Kupper production of Gluck's *Oriao* (tomorrow), Cullberg Ballet with Mats Ek's 20th century version of Giselle (Sun and Mon), Gilbert Kaplan conducting Mahler's Second Symphony (next Thurs) and five performances of *Street of Crocodiles*, based on the stories of Bruno Schulz (from June 13). The festival ends with the Verona production of *Aida*, staged in the Roman amphitheatre at Caesarea from June 20 to 30 (tickets and information tel 2-234061).

## EXHIBITIONS GUIDE

**AMSTERDAM**  
Rijksmuseum Rembrandt in a new light: seven restored paintings, including *The Descent of Peter* (1660), *The Jewish Bride* (1662) and *The Sampling Officials* (1662). Ends Nov 1. The Jacobus Kluwer Collection: 100 Dutch 17th and early 18th century drawings. Ends July 25. Closed Mon. Van Gogh Museum Courtesans in Japanese Prints. Ends Aug 29. Daily.

**WINTER**  
Musée Royal des Beaux-Arts Jacob Jordaens. Ends June 27.

**Closed Mon.**  
Middelheim New Sculptures: works by Richard Deacon and ten other major international artists. Daily.

**BARCELONA**  
Fundació Joan Miro Joan Miro: large-scale contemporary exhibition. Ends Aug 30. Closed Mon.

**BARI**  
Castello Svevo Corrado Giacomini: the late-Baroque artist who provided enormous altar paintings for numerous Roman churches, and was fitted in European courts during his lifetime (Goya was fascinated by the works done for the Palazzo Real in Madrid), has since been unfairly neglected. This fine show, with works from European and American collections, attempts to set the record straight. Ends June 20.

**FLORENCE**  
Palazzo Strozzi Vassily Kandinsky: 38 oils, watercolours and paintings on glass by the Russian painter covering the years 1900-20. The exhibition includes some of his early chaotic, typically Russian symbolist works and cheerful landscapes, many painted on his frequent visits to the Tyrol (from the Russian Museum in St Petersburg) and also shows his gradual move into abstract art, working closely with Klee, Arp and Schoenberg. Ends July 18.

**KYOTO**  
City Gallery From the Treasures of Eurasia, Masterpieces of Ancient Art: 170 antiquities chosen from 15 museums in Russia and Ukraine by Bolivian collector George Ortiz, including Greek vases, sculpture and bronzes, Scythian gold and silver jewellery, Egyptian statues, Byzantine ivory panels and a magnificent winged human-faced

sphinx with lion's body. Ends July 4.

**LONDON**  
Tate Gallery Art and Liberation: painting and sculpture in postwar Paris 1945-55, focusing on Giacometti, Wols, Picasso, Dubuffet and others. Ends Sep 5. Turner's Painting Techniques. Ends Sep 12. Georges Braque: prints from private French collections. Ends Sep 27. Daily.

**National Gallery** 18th and 19th century paintings and drawings from Lille. Ends July 11. Paintings from the Bowes Museum. Ends June 20. Also 10 Velazquez paintings from Apley House. Daily.

**Royal Academy of Arts** Summer Exhibition. Ends Aug 15. Daily.

**Hayward Gallery** Georgia O'Keeffe. Ends June 27. Also James Turrell installations. Ends June 27. Daily.

**Courtauld Institute** Thomas Gumbler: Parry as Artist and Collector: 14th and 15th Italian paintings collected by the 19th century artist, whose watercolours are also represented. Ends Sep 1. Daily.

**Accademia Italiana** Italian Art Treasures, including works by Guercino, Domenichino and Caracci. Ends July 25. Daily.

**MADRID**  
Fundación Juan March Picasso and the Three-Cornered Hat. Ends July 4. Daily.

**NEW YORK**  
Guggenheim Museum Paul Klee: 60 works from the museum's own collection, spanning the Swiss-born artist's career from early academic landscapes and satirical etchings to geometric abstractions executed at the Bauhaus and late masterworks. Ends Sep 18. The

**SoHo** site has Singular Dimensions in Painting: minimalist works from the 1960s and 70s by Elsworth Kelly, Agnes Martin, Robert Rymen, Richard Serra and others. Ends Aug 22. The main museum is closed on Thurs, the SoHo site on Tues.

**Metropolitan Museum of Art** Drawings from the Getty Museum. Ends Aug 8. Abstract Expressionism: works on paper from the period 1938-67 by American artists. Ends Sep 12. Closed Mon.

**Museum of Modern Art** Latin American Artists of the 20th century: 300 works by 20 artists from 1914 to the present. Ends Sep 7. John Heartfield: powerful political images by the German inventor of photomontage. Ends July 6. Closed Wed.

**Brooklyn Museum** Louise Bourgeois: 11 works by the artist selected to represent the US at the 1993 Venice Biennale. Ends Oct 3. Closed Mon and Tues.

**Whitney Museum of American Art** 1993 Biennial. Ends June 13. Closed Mon.

**PARIS**  
Centre Georges Pompidou Matise 1904-17. Ends June 21. Closed Tues.

**Grand Palais** The Century of Titian. Ends June 14. Closed Tues, late opening Wed (ave du Général Eisenhower).

**Musee Picasso** Picasso and the Bulls. Ends June 28. Closed Tues.

**Louvre** Coper-Creer: from Turner to Picasso, 300 works showing how artists copied the great masters. Ends July 26. Closed Tues.

**Le Louvre des Antiquaires** The Shine of Pewter: 300 jugs, plates and dishes recreating 16th-18th century table settings. Ends July 17. Closed Mon (2 place Palais Royal).

**Musee du Luxembourg** Roman Wall Paintings around Narbonne. Ends July 4. Closed Mon (19 rue de Valenciennes).

**Petit Palais** The Splendour of Russia: a thousand years of goldsmiths' work. Ends July 18. Closed Mon.

**ROME**  
Calograzia Federico Peliti, Piedmontese Photographer in India: more than 200 evocative photos of the British Raj by a talented amateur, who was also a violinist and sculptor. Peliti's passion for sculpting cakes in elaborate architectural shapes (culinary feats such as the pastry Taj Mahal made to celebrate the crowning of Queen Victoria as Empress) led to his being taken to Calcutta as the viceroy's chief pastry-cook, from where his fame spread over the continent. Ends July 10. Daily.

**S Michèle** a Ripa Borghese Collections: works by Titian, Caravaggio, Rubens, Raphael and others, on show in this deconsecrated church while the villa in the Borghese gardens is being restored. Ends Dec 31.

**VENICE**  
Palazzo Grassi Marcel Duchamp (1887-1968): 300 works. Ends July 18. Daily.

**Fondazione Cini** From Velazquez to Murillo: 50 works, mainly religious, from the golden age of the Spanish Baroque. Ends June 27. Daily.

**VIENNA**  
Kunsthistorisches Museum Gold from Kiev: 100 masterworks from the era of Scythian supremacy to the Christianisation of the Ukraine. Ends Sep 12. From Bruegel to Rubens: paintings and drawings from the golden century of Flemish art. Ends June 20. Closed Mon.

**Albertina** Dutch and German Drawings from Mannerism and the Baroque: works by Goltzius, Rubens, van Dyck and others. Ends July 11. Daily.

**Kunsthistorisches** The World of the Maya. Ends June 27. Daily.

**WASHINGTON**  
National Gallery of Art The Great Age of British Watercolours 1750-1880. Ends July 25. Also Great French Paintings from the Barnes Foundation: 80 French Impressionist, post-Impressionist and early modern paintings. Ends Aug 15. William Harnett, 19th century American still-life painter. Ends June 13. Daily.

**National Portrait Gallery** American Art at the 1993 World Fair. Ends Aug 14. Daily.

**National Museum of American Art** Masterworks from American Art Forum Collections 1875-1935: 64 works by Albert Bierstadt, John Singer Sargent, Edward Hopper and others. Ends July 5. Daily.

**ZURICH**  
Kunsthaus The Nabis. Ends Aug 15. Closed Mon.

**Museum Rietberg** Masks and Costumes of Japanese Theatre: Noh theatre masks and garments from 17th-19th centuries. Ends Aug 22. Closed Mon (Gabelstrasse 15).

**Graphische Sammlung** der Franz Gertsch: recent landscapes combining photography, woodcuts and painting. Ends July 16. Closed Sat and Sun.



# Panic and heroism in the heat of the night



## BOOK REVIEW

Chernobyl, the world's worst nuclear accident, is a tantalising target for a writer. The events of the night of April 26 1986 were shrouded in KGB-protected secrecy by the Soviet government for years, despite the clamourings of other countries to know how the accident happened.

But as the Soviet Union disintegrated, the print-outs from the reactor's computers, the tape recordings of the men in the control room, and the medical records of the surrounding population gradually emerged. Chernobyl's scientists and directors have also been increasingly prepared to talk to foreign writers; many appear remorseful for having helped cover up the full story.

Piers Paul Read has interviewed two of the most senior staff in control of the reactor that night: Victor Brukhanov, Chernobyl's director, and Anatoli Dyatlov, deputy chief engineer. By far the best part of the book is the account of the panic, terror and extraordinary courage on the night of the explosion. Scientists and technicians - who thought at first that war had broken out - streamed along corridors in the dark as their instruments failed. They heaved at twisted metal doors to reach the control rods and put their hands into radioactive pools to turn safety valves. They slung injured colleagues over their shoulders as they fled for the exits, even though the radioactivity from the contaminated clothing burned deep sores into their flesh.

Read provides a powerful reminder, too, of the peculiarly horrible effects of radiation on the human body, one of the reasons why western Europe's environmental pressure groups are so fiercely opposed to nuclear power. Thirty-one people died immediately or within days. They watched their own bodies rot, their intestines dissolve and the skin on their legs fall down like loose socks.

The book goes a long way to explaining how the disaster happened, pointing a finger at the Soviet planning system.

## ABLAZE - THE STORY OF CHERNOBYL by Piers Paul Read

Secker & Warburg, 478 pages, £16.99

Components to build Chernobyl's four reactors - secured after tortuous negotiations with the strangely named Ministry of Medium Machine Building - rarely arrived in working order or on time. The plant's directors, says Read, struggled to meet impossible construction targets, while juggling Communist party demands to diversify into consumer goods and to construct two hay barns for a local farm.

Locked into that system, Chernobyl's staff believed that initiative, even on the brink of disaster, would be penalised. That led them to persist with an experiment on the plant's electricity turbines even when it started to go wrong - ironically, the reactor ran out of control during long-overdue tests on its safety.

The book makes too much of the faultlines of the reactor's control rods, although the imperfections were confirmed this year in a report by the International Atomic Energy Authority, the nuclear watchdog. The ill-designed safety tests and the generally poor standards of construction were the main causes.

It also does little to solve the main remaining mystery of Chernobyl: how many people were made ill, or saw their children born deformed. Read points out, movingly, that figures are hard to establish because the general health of the population is so poor, undermined by pollution and inadequate nutrition. But he cites estimates - which range from the 31 who died to "as many as [in] the second world war" - without saying which should be taken seriously.

This is a symptom of the book's biggest weakness. It relies heavily on secondary sources - particularly Ukrainian and Russian newspaper reports - and attributes too few of its main assertions to any identifiable source.

Important points lack substantiation, such as his claim that, before the explosion, there was "anxiety in the high-

est quarters about the shortcomings in construction". His fondness for the passive tense also leaves too many questions dangling about who took critical decisions at the plant - the identity of the person who ordered the go-ahead for evacuation of the town, for example.

Surprisingly, given his talent as a novelist, the pace suffers from Read's technique of retelling the events several times to reflect the different perspectives of the plant's workers, the politicians and the local residents. He also indulges in at least half a dozen repetitions of passages, and in clumsy metaphors, although it is perhaps inevitable that the glowing core of the destroyed reactor is compared to a glimpse of hell. Unfortunately, towards the end, his prose not only describes but resembles the ponderous and labyrinthine ways of the Soviet command economy.

That said, he is right that Chernobyl has become a powerful symbol. The explosion has come to represent the atrophy of the Soviet Union and "its subsequent melt-down", as Read puts it. It is also seen as a turning point in the promise of nuclear power to deliver cheap energy without much risk, even in poorly managed countries.

Read's final suggestion - that human fallibility means nuclear power can never be safe - seems unnecessarily fatalistic, however. The lessons of Chernobyl are precise ones - the apparent impotence of United Nations bodies such as the IAEA, and the way the nuclear industry's military connections are frequently used to restrict information.

Western countries also have plenty of evidence now that there is a threat of a second Chernobyl at some of the crumbling reactors in eastern Europe or the former Soviet Union. They know that sending money, technicians and components could reduce the risks. There is an argument, which Read does not explore, that if another accident were to occur, the blame should fall on the inadequacy of western action rather than on the innate dangers of nuclear power.

Should Mr Lamont have ducked the fight to stay in? That would have been a breach

Bronwen Maddox

Norman Lamont must go down as one of the unluckiest chancellors. I hope that history will also see him as a brave man who took unpopular decisions in the best interests of the country. It is no credit to our governance that he was ultimately brought down by the mob, led on by the popular press.

When he took office in November 1990 the chancellor inherited a double-digit rate of inflation, which he hated, and an economy moving rapidly into recession. He decided to make the elimination of inflation his main policy aim and in this he was outstandingly successful. The headline inflation rate fell from nearly 11 per cent to just over 1 per cent during his stewardship.

But the price was high. The recession proved much longer and deeper than mainstream forecasters had expected. A recovery, originally expected well ahead of the April 1992 election, was still not in the bag by last Christmas. In the meantime an alarming deterioration in the public finances had become all too visible. A chancellor committed to cutting taxes had to introduce a tax-raising budget.

It was, of course, none of these problems that brought him down. Everybody will remember Norman Lamont as the man who had publicly defended an exchange rate policy for which, as the cabinet's leading Euro-sceptic, he had little affection, and then clung to office when the policy collapsed. He was fired on the Treasury steps in late August, saying there was no scintilla of doubt that the pound would stay in the ERM. Three weeks later, from a nearby spot, he announced the suspension of ERM membership.

If he had gone then, the reasons for his departure would have been clear. But his senior colleagues agreed that the ERM debacle was not his fault. He stayed, and on balance I believe he was right to do so. Those who cite the precedent of Jim Callaghan's resignation over the sterling devaluation of 1967 are drawing a distant and misleading parallel. They should look at what other countries have done following the many realignment crises that have dogged the ERM at roughly two-year intervals since its birth in 1979. They have not found it necessary to change their finance ministers along with their ERM party.

Should Mr Lamont have ducked the fight to stay in? That would have been a breach

# Hounded out by fiction and foes

History will be kinder to Norman Lamont than the tabloid press, writes Bill Robinson

of faith with all in Britain who supported ERM entry and with our partners in the EC. Should he have devalued rather than floated? The countries which chose that option have had an uncomfortable time, with interest rates still high and the risk of another realignment crisis never far away.

By fighting to stay in until he was forced out, the chancellor sent a very clear signal of his determination to defeat inflation with a strong pound and high interest rates. He also underlined the government's commitment to the ERM, keeping open the option of rejoining the system. That option seemed more important than when now. But when re-entry comes back on the agenda, Lamont's dogged defence of sterling's ERM parity will stand us in good stead.

Once out of the ERM Mr Lamont swiftly cut short-term interest rates, bringing them decisively below German rates, as they needed to be. His Autumn Statement contained further measures to bolster confidence, notably the abolition of the car tax. The UK is now enjoying a recovery while the rest of the Community is in deepening recession.

Lamont also put in place a new framework for the conduct of policy. He set, for the first time, an explicit inflation target, buttressed by indicative ranges for broad and narrow

## Lamont's senior colleagues agree that the ERM debacle was not his fault

money. He announced that progress on inflation would be monitored in regular monthly meetings with the governor of the Bank of England, on a pre-announced timetable. He ordered the publication of the internal documents on which that assessment was based. He also gave the Bank of England a new quasi-independent role in monitoring the inflation per-



formance and publishing a quarterly report on the subject.

The new policies were outlined, in a speech to the International Monetary Fund, the weekend immediately after exit from the ERM. Over the next few weeks further details were announced in a letter to the Treasury committee, in the Mansion House speech and in the Autumn Statement. This measured pace was considered too slow by some. But policies made on the hoof are followed all too often by U-turns.

The verdict of the financial markets on all this is clear. The long bond rate, the acid test of inflationary expectations, is more than 1 percentage point lower than in September. The exchange rate has held steady.

So why did we keep on reading that the City had lost all confidence in the chancellor? Perhaps it was because the tabloids turned on him. Having hounded David Mellor out of

office for some over-enthusiastic socialising in a Chelsea strip, they attempted to bring down Mr Lamont by character assassination. They produced a mischievous story about his party conference hotel bill. They dug up another about his

## So why did we keep on reading that the City had lost all confidence in the chancellor?

Access bill (lost when building works drove him temporarily out of Number 11). They kept digging and found that some of the costs of evicting an unsuitable tenant 18 months earlier had been met out of public funds. Worst of all, when Lamont stopped at the Marble Arch Threshers (on the way home from Dorney Wood) to pick up some wine for dinner the inci-

dent was turned, by false witness, into a fictitious purchase of champagne and cheap cigarettes in Paddington.

He survived it all and went on to present his third Budget - a delicate balancing act. Public borrowing needed to be reduced but the recovery was still very fragile. The chancellor solved the problem by announcing a programme of delayed tax increases. The innovation received good reviews (as had both of his previous Budgets) and the economic data published since then suggest the economy is still on the path to recovery.

So during the Easter recess it looked as though, for once, all was set fair. Growth had resumed; inflation, both prices and wages, was hitting record lows; the problem of the public finances had been addressed. It was a fair bet that Mr Lamont would present the first unified Budget, his fourth, and bow out with honour shortly after.

Then came the Newbury by-election. The government suffered a huge defeat, and suddenly the papers were again full of calls for the chancellor's resignation. This time he lost the support of his closest colleagues and was obliged to depart, to a gleeful tabloid chorus of "Lamont humiliated" headlines.

The departure of a cabinet minister is an important political event. It is usually the result either of a scandal or a big disagreement within the government over policy. Mr Lamont's departure does not fit that pattern. The change of policy occurred nine months ago and has proved rather successful. The scandals dominated the headlines six months ago, and were either fictitious or not very scandalous.

The chancellor nevertheless had to go because word came back from Newbury to the party managers that he was unpopular on the doorstep. The voters mentioned the hotel bill, the Access bill, the lawyers' bill, the Threshers bill. Nobody mentioned the Finance Bill. That more or less reflects the coverage accorded to Mr Lamont by the tabloids.

Politicians are ultimately judged by the quality of their decisions. Mr Lamont took some good ones and leaves the economy in much better shape than he found it. The history books will be kinder to him than his contemporaries have been.

The author was special adviser to the chancellor and former director of the Institute for Fiscal Studies

## LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

## A better criterion for audit exemption

From Mr L D McClements.

Sir, As a director of a small limited company I welcome the removal of the audit requirement in principle ("Third time lucky" June 2). However, a different exemption criterion would seem to be desirable.

In our case the accounts are computerised and audit fees are only about 0.7 per cent of turnover; the time required for meetings and dealing with minor queries is of greater

importance. Moreover, the audit process involves other formalities such as bank letters; these cost £17,250 each and merely present information already provided on statements.

Unfortunately we would not benefit from the Department of Trade and Industry proposal as our turnover is above the VAT threshold. The exemption would be more effective if framed to cover the majority of

limited companies which obtain no advantage from the audit requirement.

Better targeting could be achieved by director certification subject to unanimous approval by shareholders. Where credit rating agencies, banks or other creditors need audited accounts it would not be in the interests of directors or shareholders to claim the exemption.

An arrangement of this type

would also have the advantage that companies below the VAT limit (or any other arbitrary threshold) would not be entitled to automatic exemption. The decision would be taken after weighing the costs and benefits of an audit to the individual business.

L D McClements,  
3 Chimeria Wood,  
Helen's Bay,  
Bangor, County Down

## Rewarding subject for study

From Mr Franco Modigliani and others.

Sir, We are amazed to find, having read the story "Delors orders study into EC's unemployment crisis" (May 13), that among the areas to be included there is no mention of the policy of high interest rate pursued by the Bundesbank and followed by other European monetary system members.

We believe this policy to be one of the major, if not the major, cause of unemployment

in the EC. We believe including this subject into the study would be rewarding.

Franco Modigliani,  
Institute professor emeritus,  
Massachusetts Institute of Technology  
Alfred P Sloan School of Management,  
Cambridge, Massachusetts, US,  
and on behalf of  
Rudiger Dornbusch,  
Stanley Fischer,  
Paul Krugman,  
Olivier Blanchard

## Landlords dislike being bitten

From Lord Derwent.

Sir, Your otherwise excellent article, "In search of the private landlord" (June 1), ignores the main reason why the private landlord will remain "reluctant to revive the private rented sector".

The landlords of long-term tenants are facing the prospect of losing their properties under the provisions of this "Conser-

vative" government's urban development and leasehold reform bill. Now the principle of expropriation is established who can be sure future ministers, or indeed Sir George Young himself, will not seek to enfranchise short-term tenants too? Once bitten, twice shy.

Derwent,  
9 Queen Street,  
Mayfair, London W1X 7PH

## Lessons in competition law can be painful

From Mrs E Susan Singleton.

Sir, As a competition lawyer one becomes used to ignorance and disregard among some sectors of the business community of laws regulating anti-competitive agreements. "Minding Your Own Business" (May 22) profiled an individual selling up-market clothes.

Maintaining that he "sticks rigidly to recommended retail prices" the proprietor went on to state that he complains to suppliers when he discovers any shop selling below RRP.

Furthermore, we were informed, "one top label" (which remains nameless) "stipulates that retailers must sell at a mark-up of 300 per cent - to protect sales at its own shops".

Not only could such an arrangement contravene the Resale Prices Act 1976 and require prior registration with the Office of Fair Trading

under the Restrictive Trade Practices Act 1976, but it is likely also to infringe Article 85(1) of the Rome treaty.

Whether the parties know or care, they should at least be warned of the European Commission's powers to fine them up to 10 per cent of annual worldwide turnover, of the unenforceability of the resale price restrictions and of the rights of third parties to bring actions for damages for loss suffered through the operation of such arrangements.

In the face of such penalties, the bliss of ignorance - be it feigned or otherwise - is quickly replaced through an expensive initiation into the details of competition law enforcement and penalties.

E Susan Singleton,  
Bristow Cooke & Carmichael,  
10 Lincoln's Inn Fields,  
London WC2A 3BP

## EC anti-dumping measures not in interests of industrial efficiency

From Mr Pierre Didier.

Sir, The Commission is currently reviewing a number of anti-dumping duties imposed in the mid-1980s. The cases concern typewriters, electronic scales, outboard motors, compact disc players and, possibly, printers. In practice, the data show in each case the complaining industry is in a worse state today than at the time of the original investigation.

Why are anti-dumping measures apparently so inefficient? First, because there is clearly no alternative to free competition. Often, while protected, the EC industry has delayed restructuring. Exporters have compensated for duties by fur-

ther rationalisation, or by relocating. In the outboard motors case, floor prices since 1983 have kept EC prices some 40 per cent above US prices, yet the EC industry still complains about losses.

The Commission must bear a heavy responsibility for the failure of the anti-dumping instrument. Artificially inflated dumping margins have led to the feeling in Europe that foreign competition can be effectively fought with heavy anti-dumping measures. But except in the case of existing anomalies, this is to tackle the problem from the wrong end. Some consider that the only way to cope with the failure of

the 1985 duties is to impose still tougher measures. Others, however, believe it is time to replace these heavy instruments of trade policy with specific, time-limited measures correcting market dysfunctions where they exist.

This presupposes, in the first instance, a return to the original meaning of dumping under the General Agreement on Tariffs and Trade - that is, the private subsidising of cheap exports using profits achieved on the domestic market. A neutral assessment of injury and, in particular, the causality link between dumping and injury, is also needed. Procedural changes, permanent assess-

ment of the effects of the measure, greater transparency and predictability are long overdue.

Only by making these changes will EC industry be protected from unfair practices without being given the illusion of protection, which justifies the postponement of restructuring European industry should also consider whether its interests are best served by imposing measures which are so heavy that foreign competitors are forced to transfer production into the Community.

Pierre Didier,  
lawyer,  
Avenue de Tervuren, 163,  
1150 Brussels

## A European bank with a strong home base. WestLB's 1992 results.



Our promise is in our performance.

1992 saw strong growth in WestLB's assets and earnings. Building on its strong position in Germany and especially in the federal state of North

Rhine-Westphalia, WestLB is steadily developing into a wholesale bank of European stature. Our strong home base also makes us a reliable partner for the savings banks in North Rhine-Westphalia and, since mid-1992, Brandenburg. Highly committed

WestLB Group	1992	1991
Business volume	288,603	277,984
Total assets	224,708	230,306
Operating profit	11,702	6,594
Profit	1,303	1,013
Group employees	119	96
	9,054	8,096

employees and competitive products will continue to ensure WestLB's success in supporting the savings banks and in providing excellent banking services to public and corporate customers in Europe and around the globe.



WestLB  
The Westdeutsche Landesbank



# FINANCIAL TIMES

Number One Southwark Bridge, London SE1 9HL  
Tel: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday June 4 1993

## Closing ERM fault lines

WHAT IS to be done with the ERM? The answer of the top policy-makers of the European Community is apparently "nothing". Reports from the monetary committee and the heads of the EC central banks agree that the ERM needs to be better, by which they mean more flexible, managed. This view is not persuasive. This is far more than a technical matter. The purpose of the ERM is to contribute to the harmonious economic development of the EC. This it has failed to do. The gross domestic product of the EC rose by only 0.7 per cent in 1991 and then by 1.1 per cent in 1992. GDP is likely to fall this year. This dismal performance partly reflects the way the ERM has spread the effects of mismanaged German unification.

When Mr Erik Hoffmeyer, the distinguished Danish central bank chief, complains that currency co-operation has collapsed because of "competitive devaluations" he confuses the symptoms of the ailment with its cause. Countries such as Denmark are caught between the unmentionable - the perverse policies of unified Germany - and the intolerable - their recent decline in competitiveness. It is not surprising that they feel frustrated. But to imagine that things would be fine if these devaluations had been prevented is fantasy.

So what needs to be done? Three points must be made. First, EC leaders must not be mesmerised by hopes for economic and monetary union. Unless the convergence criteria are torn up, 1999 is now the earliest plausible date for ERM. During the six intervening years, meeting the convergence criteria must be reconciled with sensible macroeconomic policies. That will be possible only if Germany turns its pro-European rhetoric into domestic reality by aggressive rebalancing of its fiscal and monetary policies.

Second, the EC must confront the economic failures demonstrated by this week's interim OECD report on employment. How, EC leaders must ask themselves, is the EC to secure lower unemployment and faster economic growth? In the 1980s they found an answer in completing the single market. In the 1990s the answer will be not in ERM, but elsewhere, notably in the labour market, but also in trade liberalisation and in efforts to reduce the high burden of taxation.

### ERM management

Finally, the ERM itself needs to be reformed. Some believe the principal role of the ERM is to make disinflation more credible. Others argue that the single market would prove either unworkable or unacceptable without an exchange rate arrangement. The former objective implies fixed nominal exchange rates, while the latter implies fixed real exchange rates or, at the least, that changes in

real exchange rates should be limited to those warranted by economic fundamentals, including cyclical divergences.

This distinction is important. The Italian lira, for example, suffered a 10 per cent deterioration in real competitiveness, *vis à vis* the rest of Europe, between early 1987 and last September. It is also far from academic, since one cause of the ERM crisis was the effects on competitiveness of reliance on the fixed exchange rate route to lower inflation.

Events have made the choice. An ERM based on adjustable exchange rates and operating under freedom for capital flows must set nominal exchange rates that reflect competitiveness.

How far then would changes in management of the ERM suffice and how far must the system itself be changed? The answer is that both are needed.

### Credibility problem

For countries that already seem suitable for fixed exchange rates, the difficulty with the ERM is imperfect credibility. Short of ERM, that problem cannot be eliminated. A radical approach would be for the central banks, presumably all independent, to announce their willingness to support one another's currencies without limit, for as long as each country retains stability-oriented policies.

For countries that need adjustable exchange rates, the principal difficulty is that the bands have not allowed adequate interest rate flexibility. Nor have they prevented the emergence of one-way bets for speculators. A part of the solution is wider bands - perhaps as much as 10 per cent on either side of the central rate. Another part is a presumption that there would either be a change in monetary policy or a change in central parity, whenever a currency deviates from its central rate by more than, say, half the width of its band. Furthermore, the old and new exchange rate bands would overlap to include the actual exchange rate - eliminating windfall gains for speculators. A currency would also be switched into the narrow band only if its exchange rate remained near the central rate for some years.

The EC must confront its central fallings of slow growth and high unemployment. At present, unfortunately, the EC's monetary arrangements, both actual and planned, are proving an obstacle rather than a help. So Mr Major was right to identify "fault lines". Unfortunately, the British government seems to have done little to help the discussions about how to remove them. Yet it would be both politically and economically foolish to put sterling back into an unreformed ERM. In the new world of freedom for capital flows and economic upheaval, the ERM must be made either more flexible or more fixed. Ideally, it needs to be changed in both directions at the same time.

## A fruitless day's work

THIS WEEK'S EC agreement on a 48-hour maximum working week and other limits on working time reflects poorly on everyone involved. Britain, the odd-country out in community social policy, remains truculent and isolated to the last. Having campaigned with bogus figures and matchless bluster, before abstaining in the crucial vote, the UK will now take the matter to the European Court.

The Commission stands accused, backed by key member states, of disguising the changes as a health and safety measure, in order to make them subject to majority rather than unanimous voting in the council. Some member states have meanwhile let it be known privately that while they agree with Britain, they cannot afford to be seen to do so.

When these new measures reach national statute books in three or four years, they will in reality make little impact, since most of the 12 have legal restrictions which already match or are tighter than required under the EC agreement.

Britain, the only country with no legal limits on the working week or minimum holiday entitlements, faces the biggest shift. Yet even in Britain, the effect promises to be modest; mutually voluntary arrangements are exempt from the rules, as are certain occupations, and there is to be a delay of at least 10 years before the start of the 48-hour week as such. Most ironic of all, the fact that the measure has been classified as "health and safety" means that it will be overseen by a hard-pressed health and safety executive, which is unlikely to make policing of work-

ing hours registers its highest priority.

The most striking fact of all, however, is that in the three years it has taken the 12 to agree a form of words on working hours, unemployment in the Community has risen by 3.2m, from 8.3 per cent to 10.2 per cent. It is still rising.

These years have also brought the prospect of a greatly enlarged Community, and the cracking of the EC's exchange rate regime under the strain of economic diversity among its existing 12 members. If ever it were possible to imagine a lockstep march towards identical working conditions from Copenhagen to Athens, that moment has surely passed. What workers want from Community social policy today is most of all an economy sufficiently competitive and prosperous to provide them with jobs.

There have been welcome signs lately that the Commission may be beginning to recognise the case for making job creation a higher priority than labour rule harmonisation, or at least to calculate the cost of any proposed social measures. If that means anything, it implies further flexibility on labour market regulation.

None of this is to imply that any well-run firm would want systematically to deny its workforce a little rest period of 11 consecutive hours, at least one day a week off, a break after six hours and at least three to four weeks' annual holiday. But these are goals not best achieved by Community-wide laws irregularly enforced, by inspectors with more important tasks to perform.

Liu Xiaobo, accused by the Chinese authorities of being one of the four "black hands" behind the bloodstained pro-democracy protests of 1989, is in a reflective mood. "The lesson for the Communist party," he says over dinner at Beijing's dowdy Friendship Hotel, "is that it now knows that it can't rely on shooting people to retain its political authority. On the other hand, June 4 taught intellectuals like us that radical moves are not the answer - change must come gradually."

Four years ago this week, after a government crackdown on student protests ended in massacre in and around Beijing's vast central Tiananmen square, both sides appear to be groping for a way to live with a complex legacy. Time has hardly lessened the bitterness felt by many Chinese over those events and, perhaps more importantly, it has not banished a desire for a historical accounting.

Liu, who was jailed, but not charged, for what were described as counter-revolutionary activities and defaming the state - he wrote pamphlets during the disturbances - is not one of those burdened by bitterness. Rather, he feels an almost overwhelming sadness.

"I could never have imagined they would shoot students," he muses. "It meant that Deng Xiaoping jeopardised his own policies with his own hands, and also lost the people's trust. The students, however, carried on the confrontation too long. Both sides made too much of a sacrifice."

"It is time now," Liu says, espousing a view that will not endear him to some of his fellow dissidents, "for the top leaders of the Communist party and the people to make peace - to end the confrontation and make improvements. Our slogan issued on June 2 1989 still serves the situation. 'We don't have enemies. We are all responsible for China's poverty and backwardness.'"

Inevitably, China's accelerated economic liberalisation of the past year or so has been accompanied by a political loosening, including an easing of restriction on internal travel, and job mobility. The recent release of prominent dissidents before their prison terms expired, and time itself, have encouraged more open discussion among intellectuals of the lessons of Tiananmen and perhaps surprisingly an appreciation of some of the gains.

None of this debate has appeared in the government-controlled media, in which the Tiananmen massacre is rarely mentioned and then only in the tight context of stern official judgment. The Communist party (which wrote the history of Tiananmen within days of the massacre in a booklet entitled Report on Checking the Turmoil

## Rebels with an uneasy cause

A complex legacy of bitterness and hope after the events of Tiananmen square still divides Chinese dissidents and their government, writes Tony Walker



Pro-democracy protestors in Beijing: economic liberalisation has been accompanied by some political reform

and Quelling the Counter-Revolution Rebellion) is not about to allow its version of events to be challenged. It understands the stakes are high in terms of historical judgment, not only for the individuals who ordered the crackdown but also for itself.

Liu, a bespectacled, scholarly 38-year-old who holds a doctorate in philosophy and ethics from Beijing Normal University - one of China's most prestigious universities - is both a casualty and a beneficiary of the Tiananmen episode.

The events of 1989 projected him from being a moderately well-known avant-garde writer on the ills of society to a controversial national figure. But he has also become a "non-person" as far as the state is concerned. He was sacked from his job as a university teacher and, perhaps more painful for someone who believes he has something to contribute to China's intellectual discourse, he is barred from publishing his views in a country where the party ultimately controls all aspects of the media.

In spite of these restrictions, Liu hopes it will not be long before he is allowed to publish again. In the meantime he is spending his time reading and writing, and reflecting on the events of 1989. These are the subject of his book, *The Monologue of a Survivor of the Last Days*, published in Taiwan recently.

As with other intellectuals deeply involved in the June 4 movement, Liu, who spent 18 months in jail, exhibits contradictory impulses towards Deng Xiaoping, whom many Chinese believe was ultimately responsible for giving the order to use force to put down the demonstrations. On one hand, Liu believes that "whoever ordered the soldiers to shoot should be punished according to the law".

On the other hand, he praises Deng's achievements as more considerable than those of Mao Zedong himself, and describes the changes wrought in China in the past few years as unimaginable.

"We must acknowledge that it was Deng Xiaoping who started the whole process of liberalisation under which China is gradually being merged into the mainstream of world culture," he says.

Bao Zunxin, another of the four so-called "black hands" - the prominent intellectuals who were accused by the government of masterminding the protest movement - would probably agree with Liu's assessment. But he attributes the economic liberalisation in China in the past year or so firmly and directly to the events of 1989.

Speaking in a small, book-lined study in his Beijing apartment, Bao, who served more than 40 months in jail for his role in helping to inspire and organise the protests, says that, while the world seemed to stop in 1989, actually the shock of those events galvanised the leadership into action, preparing the ground for the accelerated economic opening of 1992-93.

He believes that Deng's tour of southern China early last year, in which he urged speedier economic

reform, can be traced to Tiananmen. Likewise, he believes, the Communist party's official embrace of a "market economy" at its 14th Congress last year was driven by the events of 1989.

"People did not make a sacrifice in vain. The movement was not a failure; it was not doomed," says Bao, who is in the same "non-person" category as Liu, sacked from his job as an editor of a highbrow literary magazine and banned from airing his views publicly in China.

Like other prominent intellectuals, Bao is extremely forthright with his views except on two issues. Asked how history might judge Deng Xiaoping, he replies: "I don't want to talk about that." Asked whether he believes the Communist party would be in control in the year 2000, he responds: "Can you ask me something else?"

But Bao adds that China will experience a "big change" politically before the end of the century. Among the more important legacies of the Tiananmen episode has been the stimulus given to debate among intellectuals about the fairly alien concept of human rights in Chinese political tradition.

Cui Wenhua, a philosophy teacher and author who wrote daringly on the subject in his book *Altar of Rights*, published in China in 1988, believes that economic freedoms will ultimately lead to renewed demands for greater political freedom and an appreciation of individual rights.

A "non-person" himself - he was suspended from his job as a teacher at Beijing's Broadcasting Institute after the Tiananmen episode - Cui says a loosening of the government's grip on people's lives in the economic sphere was the "first and most fundamental step" towards greater freedom. "Sooner or later the Chinese people will have to realise they have a say in Chinese politics instead of taking orders from one emperor," he declares.

These views may prove to be naive - the product of a unique moment in China's political evolution - but there is no question that debate is stirring on a whole range of issues. Among the more controversial is the future and nature of the Communist party, which is likely to find itself under increasing pressure, assuming that economic liberalisation is accompanied by strengthening demands for political change.

"If the party has enough wisdom, it will change its Marxist character to be more of a social democratic party," observes Liu. "The only way for the Communist party to save itself is gradually to embrace reform and democratisation. The only thing that can save the party is the party itself."

Japan's big computer makers will find the road back to profitability a hard one, says Alan Cane

## Hard look at soft option

Fujitsu of Japan last year lost money for the first time since 1948. NEC has lost money for the first time since 1981. Hitachi has already reported stagnant sales and sharply reduced taxable profits.

The three companies hand-picked by the Japanese government 40 years ago to lead the country's attack on the world's large computer market are reeling from the same blows that have hit western computer companies on the ropes for the past three years.

Recession and economic instability have persuaded customers to trim capital spending. Rapid technological change has sown uncertainty and caution.

Through the 1980s, Japanese mainframe manufacturers were sustained and protected by a buoyant home market. Large Japanese companies, some steps behind the west in data processing sophistication, were locked into the concept of centralised mainframes housed in data centres, a business model created and perpetuated by International Business Machines of the US.

Fujitsu, the spearhead of Japan's computer industry and the world's

number two information technology company, saw IBM as both its chief competitor and its principal role model. Its computers were functionally similar to IBM's and ran the same software. Its aim was to be the world leader in information technology through a "family" of companies in which it took equity stakes. Since 1990, that family has included ICL of the UK, in which it has an 80 per cent share.

Many saw Fujitsu's takeover of ICL as an opportunistic move which would make the UK company a Trojan horse for Japanese ambitions in the European computer market.

While the rationale for the takeover was ICL's need for a well-heeled partner, Fujitsu's stake may prove to be its own salvation in a rapidly changing world.

Today, the mainframe market is dwindling worldwide. The larger manufacturers are talking of a 40 per cent decline over the past four years. The market will not return; neither will yesterday's profitability.

For companies such as IBM and Fujitsu there is an obvious path back to the black. They have to shed staff to match overheads to likely levels of profitability. They have to shift their emphasis from mainframes to smaller computers

### Many thought Fujitsu would make ICL a Trojan horse for its ambitions in the European market

and open systems, and they have to derive an increasingly larger share of their revenues from software and computing services rather than hardware.

Japanese companies have an indifferent track record here. Life-time employment may be withering, but they still find it difficult to shed staff. They have little experience of open systems, and their expertise in software and services is limited to

Japan. A Japanese company would find it difficult to overcome the cultural problems in managing a large computer project abroad.

Fujitsu, however, the only Japanese mainframe maker with a majority stake in a western computer company, has in ICL a rich source of technical and managerial knowhow about the new shape of the computer industry. A cash crisis in the early 1980s forced the UK company to make early cuts in staff numbers. It has widely acknowledged expertise in open systems. More than half its revenues are now derived from software and services. And it is profitable, making £38.6m pre-tax on sales of £2.48bn last year. It could be argued that ICL is massaging figures that are barely better than break-even, but it is better than the losses most computer companies are suffering.

Fujitsu is not optimistic about the outlook for the current year, and unless its restructuring and cost-cutting programme is effective, it has little reason to be.

ICL, on the other hand, should hold its own and, indeed, grow if and when Europe's economies improve. Fujitsu speaks of ICL as an elite member of its global family.

Given the tenfold difference in their revenues, it would be ridiculous to talk of reverse takeovers; but if Fujitsu looks to its UK subsidiary for guidance through the computing jungle, then ICL's influence with its Japanese parent should grow out of all proportion to its size. Fujitsu, after all, has already entrusted its operations in the US and Europe to ICL's management.

When it bought ICL in 1990, Fujitsu said it would float the company on the London market within five years, giving it a value of at least £1.2bn. To date, the economy has not favoured flotation, but merchant bankers and advisers have been appointed and the company is gearing itself up to go public. Investors could find that, far from backing a Japanese Trojan horse, designed to invade the European computer industry, they will be investing in a European company ready to play a fundamental role in the restructuring of Japan's leading computer company.

## Dallara takes charge

With close to a hundred think tanks fighting for attention in Washington DC, funding figuresheads who will both fit in and be noticed by the international community can take time. But one post which has taken a particularly long time to fill is atop the Institute of International Finance.

However, Observer is glad to report that the search is finally over. Charles Dallara, who takes over next month, has the sort of resume appropriate for an organisation whose two previous heads have been Andre de Laet, former vice governor of the Bank of France, and Horst Schulman, long time German economic guru and, since the end of last year, president of the Landeszentralbank in Hesse.

Dallara, 44, is currently a managing director at J P Morgan, in charge of most of its non-American financing and advisory business. But he is best known in Washington for his service in the Reagan and Bush administrations as US executive director at the IMF and then as assistant treasury secretary for international affairs, which he left in the middle of 1991.

He has all the right connections and is on the boards of bodies such as the German Marshall Fund, the American Council on Germany

and the US-Japan Business Council. But the big question is whether a body set up to help sort out the problems of the Third World debt crisis can find a new role for itself now that the debt crisis no longer looms so large in the affairs of its members.

### False alarm

The National Audit Office's doom-laden report on the huge cost of scrapping Britain's nuclear power plants is hedged around with all sorts of warnings about the difficulties of predicting what is going to happen over the next 100 years.

Even so, the NAO seems to have added to the level of uncertainty by printing one of its main bar charts the wrong way round, with the result that the problem of medium level radioactive waste is made to look even more alarming than it really is.

### Management man

Could Tim Hely Hutchinson, founder of Headline Books, be the new Paul Hamlyn of British publishing? Having just agreed a £49m takeover of the 125-year-old publishers Hodder & Stoughton, he was refreshingly modest when Observer popped the question yesterday.

He stresses that he is not nearly as innovative as the fabulously wealthy Hamlyn, founder of Octopus Books and creator of a

## OBSERVER



whole new consumer publishing sector. "I'm only a manager," says Hely Hutchinson, whose father, the Earl of Donoughmore, will be non-executive chairman of the enlarged group.

largest independent publisher after Macmillan, young Tim is not doing too badly.

### Don't Hogg it

Guess who turned out to be the party poopers at yesterday's annual ministerial meeting of the Organisation for Economic Co-operation and Development?

While the US and Japan were goading the Paris-based bureaucrats on to ever more ambitious tasks in foreign parts, British foreign office minister Douglas Hogg was being difficult. There were quite enough international bodies romping around former Iron Curtain countries, he reasoned, so why should resources be diverted away from traditional fields of endeavour?

Nor had the organisation's annual 8 per cent cost increase escaped his eagle eye. Those tax-free salaries might be all very motivating, but who had considered affordability? The last person to raise this delicate subject was Britain's ex-chancellor Norman Lamont, who had much the same thing to say on the subject of IMF and World Bank pay levels during his April sojourn in Washington DC.

### Invisible man

Hans van den Broek, the EC commissioner for external political relations, failed to show much sign of the Community's much-vaunted

transparency yesterday. He turned up at the Commission's offices in London in the back of a large limo with heavily blacked-out windows.

When questioned about his lack of visibility, the ever-cheerful Van den Broek quipped that this was just the car he used for shopping.

### Got a light gun?

A director of Colombia's central bank, en route to a pow-wow with his opposite numbers in Venezuela the other day, was caught at Bogota airport with a small amount of marijuana.

He was released on the basis that it was only a "personal dose". It is hard to imagine the Bank of England's new governor "Hard" Eddie George lighting up a joint to relieve the boredom of the endless round of EC central bankers meetings.

But his new deputy, former Economist editor Rupert Pennant-Rea, may be more sympathetic to the plight of his unlikely Colombian colleague given his well-known desire to decriminalise drugs.

### Cow patter

Two cows are grazing quietly in a field when one asks the other: "Do you ever worry about catching mad cow disease?" "Why should I?" replies the other, "I'm a duck."



HUNTERSKILL  
The preferred choice of I.T. professionals.  
WOLSELEY  
The name behind the name.

# FINANCIAL TIMES

Friday June 4 1993

A FINANCIAL TIME  
for change



Finance chiefs discuss aid bank's extravagance and low disbursements

## Future of Attali as EBRD chief under discussion by G7 partners

By Peter Norman in Paris and Robert Peston in London

MR Lloyd Bentsen, the US Treasury secretary, said yesterday the Group of Seven leading industrial countries were debating the role of the European Bank for Reconstruction and Development following disclosures of extravagance in the setting up of its London headquarters.

At a press briefing in Paris, before travelling to Russia for talks with President Boris Yeltsin, Mr Bentsen confirmed he had discussed the EBRD's low disbursements to the former communist states of eastern Europe with the G7 partners, but he declined to give details.

Asked whether there was a case for removing Mr Jacques Attali as head of the EBRD, Mr Bentsen replied: "I think that is for the Europeans." The other G7

members are Britain, France, Germany, Japan, Canada and Italy.

It emerged yesterday that a meeting in Paris on Wednesday night of the G7 deputies - the senior finance ministry officials who prepare the group's work - dropped some planned agenda items and was devoted entirely to discussing the EBRD.

It is understood that it covered the bank's low disbursement of funds to the former Communist countries, questions surrounding its top management, and the need for better relations between the countries that own the bank and the people who run it.

According to a G7 official close to the group, some of the senior finance ministry officials were believed Mr Attali should be replaced as president of the bank.

The G7 countries, which together have a majority stake in the bank, have been discussing

possible candidates to replace Mr Attali, the official added.

Mr Attali is reportedly fighting for his job and there is no sign that the governments of the countries and agencies that own the bank, set up two years ago to make loans and investments in eastern Europe, have decided to remove him.

An official said that Mr Attali was drawing on his political capital to resist pressure to quit.

Mr Attali is a former adviser to the French President, Mr François Mitterrand. The EBRD chief appears determined to hold on to his job in spite of the expectation that a forthcoming audit of the bank's expenditure will be damning.

Mr Attali's continuation in office is creating special difficulties for the US. Congress has refused to vote funds to pay a tranche of capital for the EBRD.

The US administration fears that Congress will be reluctant to vote additional funds for other international financial institutions, on which the US is relying to channel aid and expertise to Russia and other former Communist states.

In a move that may have been inspired by recent allegations about the EBRD, Mr Bentsen said the US wanted to set up an aid utilisation office in Moscow "to make certain that every bit of money that goes to the transition effort is spent wisely."

Canadian and US officials have been particularly critical in the past few weeks of Mr Attali's performance. The UK is reserving its judgment until the audit report, which is due next month, is received.

Strike call at Bank of France, Page 3

## Burundi's Tutsi elite feel the winds of democracy

AFRICA'S longest dominating ethnic minority is bowing to the winds of change.

Nearly 500 years after establishing their hegemony, and 30-odd years after Harold Macmillan warned white South Africa that the days of apartheid were numbered, Burundi's Tutsi elite seem set to surrender power to the country's Hutu majority.

On Wednesday the first democratic elections in the central African nation's history marked a watershed in a country scarred by tribal genocide.

Mr Melchior Ndadaye, a 40-year old banker and leader of the Burundi Democracy Front, won 60 per cent of the vote to defeat Major Pierre Buyoya, the military president. The presidential poll is to be followed by legislative elections on June 26, ending a two-year transition to democratic rule.

"Mr Ndadaye needs to win both (elections) to have real control of the country," cautioned one western election monitor quoted by Reuters in Bujumbura, but the Tutsi's ancient hold on the country appears to have been broken.

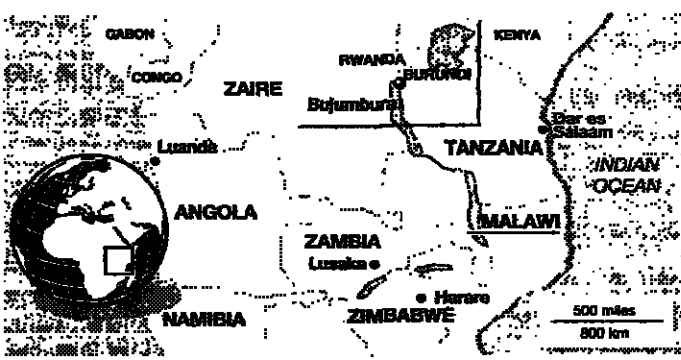
Major Buyoya, a former army officer who came to power in a bloodless coup in 1987, has presided over a transition as difficult as any in Africa, overcoming a bloody history.

Poor, remote, heavily dependent on coffee exports, and of little strategic interest to the superpowers, Burundi has been able to keep out of the spotlight directed on southern African minority regimes.

The Tutsi minority, an unusually tall race making up 14 per cent of the 5.6m population, have dominated the Hutu majority (85 per cent) since the 16th century. The colonial era saw little change in a near feudal relationship. In 1899, along with neighbouring Rwanda, Burundi became part of German East Africa. After the first world war German rule was replaced by a Belgian mandate which ended with independence in 1962.

The Tutsi hold on power was reinforced by discrimination in the education system, civil service and army. A Hutu-led coup

Michael Holman on changes in a country which once murdered its citizens at the rate of 1,000 a day



attempt in 1965 was ruthlessly suppressed, with many leading members of the Hutu tribe losing their lives. Worse was to come.

In April 1972 began one of the worst slaughters the continent has known. What started the bloodshed is unclear. Michel Micombero, a young Tutsi army officer who seized power in a coup in 1966, claimed to have discovered a Hutu plot aimed at exterminating Tutsi.

Whatever the cause, what transpired amounted to "the systematic killing of as many as a quarter of a million people... over a four-month period men, women and children were savagely murdered at a rate of more than a thousand a day," concluded an investigation funded by the Washington-based Carnegie Endowment for International Peace.

By mid-May, the US embassy in Bujumbura "started getting disturbing reports that the government was not just mopping up the rebels but trying to punish the whole Hutu tribe," the report recounted, drawing on embassy material: "They tried to skim off the cream of the Hutu tribe, to kill every possible Hutu male of distinction over the age of 14."

The four Hutu members of cabinet, nearly all officers and soldiers in armed forces, half the primary school teachers, bank clerks, businessmen and civil ser-

vants perished in a selective slaughter.

The genocide that followed was largely ignored outside the country. The UN helped to assist the 150,000 refugees who sought refuge in neighbouring states, but otherwise stood aside.

The Organisation for African Unity characteristically declined to act. During a June summit, the council of ministers sent a formal note to Mr Micombero: "Thanks to your saving action, peace will be rapidly re-established, national unity will be consolidated and territorial integrity will be preserved."

International concern was ineffectual and short-lived, and Burundi returned to obscurity. Micombero was replaced in a bloodless coup by his cousin, Col Jean-Baptiste Bagaza in 1976, himself deposed by Major Buyoya.

His first act of reconciliation was to share cabinet posts between the two tribes, giving Hutu their first real voice in government in 20 years and naming the first Hutu premier since 1965. But a further bout of ethnic slaughter in 1988 killed at least 5,000 people, giving renewed urgency to reform. Like the minority leaders in southern Africa, Burundi's president had set in train a process of change he can no longer control.

## Sihanouk bypasses UN to declare government

By Victor Mallet in Phnom Penh

PRINCE Norodom Sihanouk of Cambodia announced the immediate formation of a coalition government yesterday with himself as head of state, prime minister and chief of the armed forces.

The prince's declaration, issued by the royal palace was made without consulting the UN Transitional Authority in Cambodia (Untac) and was given a lukewarm welcome by Mr Yasushi Akashi, the Untac chief.

Prince Sihanouk appointed as deputy prime minister his son Prince Ranariddh, who leads the royalist party Funcinpec, and Mr Hun Sen, who was prime minister in the communist Phnom Penh government, abolished yesterday.

With most of the votes counted after last week's UN-organised election, Funcinpec has emerged as the strongest political party in the future Cambodian assembly, which is supposed to draft a new constitution and form a government within three months under a 1991 Paris peace plan. The Cambodian People's party (CPP), the old government communist party, came a close second.

In a statement to the Cambodian people, 70-year-old Prince Sihanouk appealed for reconciliation and described himself as the father of the nation.

UN officials put a brave public face on the announcement. One Untac official said privately that Prince Sihanouk's announcement could be seen as a constitutional coup d'état.

The prince did, however, promise to recognise the assembly that will emerge from the elections. He does not appear to have contravened the Paris peace agreement's vague provisions for the three-month interim period after the election.

Mr Akashi, summoned to the palace to be told of the new government said the initiative "could be a necessary instrument for stability," provided the two main parties supported it.

Funcinpec's reaction was not immediately known last night. In theory Funcinpec should be able to form a future government with the minority Buddhist Liberal Democratic party of Mr Son Sann.

But the administration remains in the hands of the CPP and a Funcinpec-CPP coalition is probably the best recipe for peace in Cambodia.

The CPP, which controls the armed forces, discussed the new government with the prince yesterday and welcomed it as a means of maintaining much of its authority. It also seemed ready to drop its challenge to the election results based on alleged "irregularities."

God-king finds role as conciliator, Page 8

## Volvo's spinning wheels

On the surface, Volvo's agreement with the Swedish government to carve up their joint interest in Procordia looks a rare example of a deal that pleases all sides. The Swedish government comes away with a focused pharmaceutical company which will be easier to privatise than Procordia's existing ragbag of businesses. Thanks to its Italian acquisitions the new Procordia will have critical mass in world drug markets. Volvo, meanwhile, acquires the cash-flow of Procordia's consumer products division and an earnings stream which will satisfy Mr Pehr Gyllenhammar's - albeit questionable - ambition to offset the cyclical nature of his automotive business.

Still, the government seems to have come off best. Volvo has given up any aspiration to own a majority stake in the new Procordia. There is no longer a risk of other shareholders becoming an abused minority after privatisation. Volvo's right to restore its stake to 35 per cent may instead provide additional support for the shares. The new Procordia would have more appeal if Volvo were to exit the drug business completely, but Swedish business remains too nationalist for that.

The initial hurdle for Volvo is the cost - of some SKr3.5bn on the basis of yesterday's official valuation - of buying out minority shareholders in Procordia's consumer products business. Volvo may consider that the resolution of the Procordia uncertainty strengthens its hand in merger negotiations with Renault, but that deal hardly seems imminent. While they wait, Volvo shareholders might ponder why they should increase their interest in mineral water, beer, matches and hotels, if Procordia has become more marketable without them.

### KLM

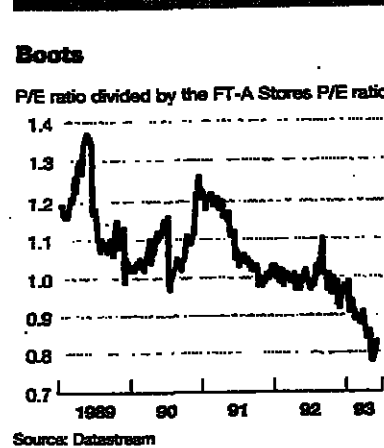
The Dutch carrier's annual results come as a stark reminder of the sickly state of the international airline industry. Despite useful progress in trimming costs and winning market share, KLM Royal Dutch Airlines dived into a F152m loss. As British Airways' latest traffic figures confirm, passengers retain an annoying preference for the cheaper seats at the back of the cabin, wrecking airlines' profitability.

With 350 per cent gearing and sharply declining aircraft yields, KLM is under considerable financial pressure. This must only add to the impetus to consummate its proposed integration with SAS, Swissair and

### THE LEX COLUMN

## Volvo's spinning wheels

FT-SE Index: 2852.8 (-10.2)



Austrian Airlines. The rationalisation of corporate overheads and airport facilities would quickly release working capital. Fleet harmonisation and the disposal of holdings in other associated airlines would yield longer-term financial benefits. KLM may do especially well out of a merger if, as seems probable, its Amsterdam hub provided the combined airline's operational centre.

Yet the complexities remain awesome. With six national governments, four corporate managements, and several sensitive trade unions involved, the discussions may well drag through the summer. Any hitches would further undermine KLM's faltering share price. But they would come as a welcome relief to Air France as it begins to roll down the privatisation runway.

### Boots

Every time it seems fair to draw a line under Boots' ill-fated £900m Ward White acquisition, something else goes wrong. The further deterioration in the Do It All home improvement chain is just the latest misfortune. Given that neither W.H. Smith nor Boots seems sufficiently confident of a cure to pump substantial extra cash into the ailing joint venture, one wonders how long it will be before Do It All is quietly put to sleep. At Halfords the turnaround is welcome, but it comes much too late for much credit to attach to Boots' management. The fond hope that Halfords can double its turnover while raising its margins fivefold also looks odd since Boots has conspicuously failed to translate the success of its chemist chain to any other retail area.

Unfortunately, it is not as though things were going well in pharmaceuticals. Manoplax continues to develop complications, and it will never make substantial profits, even if it remains on the market. Without it, the company's new drugs pipeline resembles a rather leaky garden hose.

The group's saving grace is the Boots the Chemist chain, which continues to throw off cash at a remarkable rate. Margin growth may now be slowing, but Superdrug's attempts to portray Boots as expensive may stick. Boots is still trying to push up margins while others, such as Marks and Spencer, are passing efficiency improvements on to customers to reap volume gains. Much of that risk is reflected in Boots' discount rating to the stores sector. Still, the fear remains that the company is strategically challenged and may use its strong cash flows to go on another reckless spending spree.

### Invesco MIM

The scale of non-compliance uncovered at Invesco MIM is staggering. While those responsible deserve opprobrium, the more serious question is how one of the UK's largest investment managers was allowed to get into such a state. Since some of the 65 charges go back to 1988, the regulators and the company's auditor had time to spot trouble before Mr Maxwell's raid on the Mirror Group pension fund brought matters to a head. Having fined Invesco for mismanaging personal equity plans in 1989, Inmo should have clamped down on lax standards elsewhere in the group.

The improvements to Inmo's procedures recommended by the Securities and Investments Board - and the tough new style for SIB advocated by Mr Andrew Large, its chairman - might close the more gaping holes in the regulatory net. But it is hard to imagine that the fine imposed on Invesco will act as much of a deterrent. While there is little sense in heaping fines on a company now diligently putting its house in order, SIB should consider wheeling out its as-yet-unused powers against individuals in such cases. That might help generate the commitment to compliance that has evidently been lacking.

After almost three years living hand in glove with the regulator, Invesco at least should demonstrate an exemplary record from here on. It is hard to argue that the regulatory system has come through in good shape.

This announcement appears as a matter of record only.

May 1993



PILKINGTON  
Pilkington plc

£80,000,000

7½% Bonds due 1998

and

78,200,000 Warrants to procure the allotment of Ordinary Shares of Pilkington plc

Issue price of the Bonds and Warrants:  
118% of the principal amount of the Bonds

J. Henry Schroder Wagg & Co. Limited

Cazenove & Co.

Goldman Sachs International Limited

S.G. Warburg Securities

Barclays de Zoete Wadd Limited

Commerzbank Aktiengesellschaft

Credit Suisse First Boston Limited

Deutsche Bank AG London

Hoare Govett Corporate Finance Limited

J.P. Morgan Securities Ltd.

Standard Chartered Capital Markets Limited

UBS Limited

Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited

## Rivals offer new car exchange

By Kevin Done and John Griffiths in London

FORD and Rover are to offer new car buyers unhappy with their purchases the chance to exchange their vehicles or receive cash refunds in competing schemes that break new ground in the European car market.

The two car producers rushed to outflank each other yesterday with rival announcements claiming to be the first in the marketplace with the initiatives.

Cash refund schemes to dissatisfied car buyers have been pioneered in recent months in the US including by Jaguar, the UK

luxury carmaker, but both Ford and Rover claimed yesterday that their UK initiatives were the first to be mounted in Europe.

Rover is to offer retail customers in the UK a new vehicle or a cash refund within 30 days or 1,000 miles, if they are not satisfied with their first purchase.

Ford is introducing a "no strings" offer to both retail and fleet customers to exchange any new car or commercial vehicle within 30 days or 1,000 miles, if the customer is dissatisfied. Unlike Rover, Ford is not offering a cash refund after 30 days.

Ford is offering, however, to replace a car or commercial vehicle or provide a refund

within the first 12 months, if the vehicle has a "persistent defect". After six months the size of the refund would be reduced to reflect the mileage driven.

The Rover scheme was originally intended to be unveiled on June 15, but details were hurriedly announced last night in the wake of a Ford press conference held at only a couple of hours notice yesterday afternoon.

The Rover scheme as outlined yesterday is not open to fleet customers.

The offer applies to customers who have either paid cash for their cars or bought it through a credit arrangement with Rover's finance subsidiary.

World Weather		°C		°F		°C		°F		°C		°F		°C		°F	
		°C		°F		°C		°F		°C		°F		°C		°F	
Amsterdam		10		50		12		54		15		59		18		64	
Athens		21		70		24		75		27		81		30		86	
Bangkok		28		82		31		88		34		93		37		99	
Beijing		15		59		18		64		21		70		24		75	
Buenos Aires		12		54		15		59		18		64		21		70	
Cairo		28		82		31		88		34		93		37		99	
Cape Town		18		64		21		70		24		75		27		81	
Chicago		15		59		18		64		21		70		24		75	
Copenhagen		12		54		15		59		18		64		21		70	
Dallas		21		70		24		75		27		81		30		86	
Delhi		32		90		35		95		38		100		40		104	
Detroit		15		59		18		64		21		70		24		75	
Edinburgh		12		54		15		59		18		64		21		70	
Faro		15		59		18		64		21		70		24		75	
Florence		18		64		21		70		24		75		27		81	
Frankfurt		12		54		15		59		18		64		21		70	
Geneva		12		54		15		59		18		64		21		70	
Glasgow		12		54		15		59		18		64		21		70	
Helsinki		12		54		15		59		18		64		21		70	
Hong Kong		28		82		31		88		34		93		37		99	
Inverness		12		54		15		59		18		64		21		70	
London		15		59		18		64		21		70		24		75	
Los Angeles		21		70		24		75		27		81		30		86	
Madrid		18		64		21		70		24		75		27		81	
Manila		32		90		35		95		38		100		40		104	
Miami		28		82		31		88		34		93		37		99	
Mexico City		21		70		24		75		27		81		30		86	
Moscow		12		54		15		59		18		64		21		70	
New Delhi		32		90		35		95		38		100		40		104	
New York		15		59		18		64		21		70		24		75	
Oman		32		90		35		95		38		100		40		104	
Paris		12		54		15		59		18		64		21		70	
Perth		21		70		24		75		27		81		30		86	
Prague		12		54		15		59		18		64		21		70	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		31		88		34		93		37		99	
Rangoon		28		82		3											

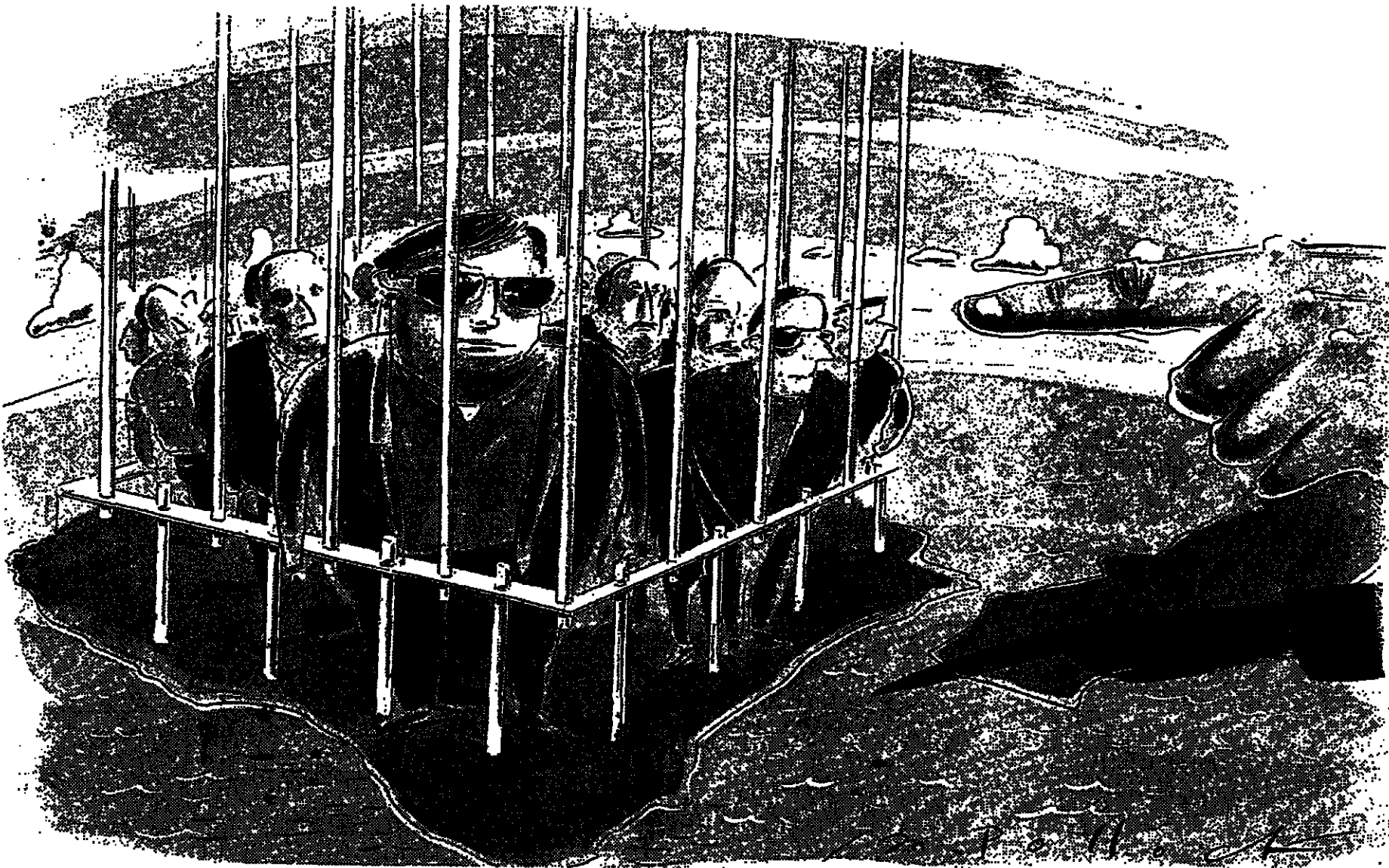


# Weekend FT

SECTION II

Weekend June 5/June 6 1993

**A car bomb in Florence only 10 days ago killed five people and reminded Italy of the honourable society's muscle. But the big battle remains in Sicily where the state is cracking down on organised crime, reports Robert Graham**



## At war with the Mafia in an island of fear

**T**HOSE murdered by the Mafia in Sicily are accorded magnificent funerals. As if to compensate for society's inability to protect them, the coffins are decked with enormous wreaths of flowers and there are great outpourings of grief. Dignitaries of church and state attend in all their finery to eulogise the dead. Yet, once buried, the names of the victims disappear from the public's consciousness.

Giovanni Falcone is an exception. The brutal murder of this anti-Mafia magistrate just over a year ago has made him a latter-day martyr and a symbol of all that is uncorrupted in Italy's body politic. His killing, followed two months later by that of colleague Paolo Borsellino - both blown up by bombs - has proved a turning point, both in public attitudes towards organised crime and the willingness of the government to fight it.

By its actions, the Mafia overstepped itself. The challenge to the authority of the state became too great to ignore, and the traditional short-lived responses to such outrages - debates in parliament, a flurry of police activity, the round-up of a few token mafiosi - were no longer tolerable.

"The state has taken the war to the Mafia," says Giorgio Musio, the prefect (police chief) of Palermo. "Especially among the young, there is a new mood. People want to stand up to the Mafia and break with the tradition of *omertà* (the vow of silence traditional among mafiosi). Among Mafia members themselves, these violent tactics have provoked divisions, causing some to turn against the honoured society."

Musio represents the new stamp of authority in Palermo. He was drafted there last August from the tranquility of Florence to boost morale among police shaken by the killings, and to co-ordinate more effectively the three different services: police, carabinieri, and guar-

dia di finanza. But he will not have forgotten that the last prefect to do this, General Carlo Alberto Della Chiesa, was gunned down with his wife in 1982.

The stiffened resolve of the state is only one aspect of change. The wave of corruption scandals sweeping Italy have weakened the Christian Democrat and Socialist parties which long provided political protection to the Mafia in southern Italy in return for votes. Now, the Palermo judiciary - described by Falcone as "a den of vipers" because of its Mafia infiltration and political intrigue - is being cleaned out.

Giancarlo Caselli took over as

Palermo's attorney-general in January and, within three months, produced a dossier on the alleged connections between the Mafia and Giulio Andreotti, the veteran Christian Democrat politician who has served seven times as prime minister. Last month, MPs agreed Andreotti - who denies the claims - should lose his parliamentary immunity and face investigations that could lead to prosecution.

At the popular level, the Mafia is confronted with the indomitable presence of Falcone's two sisters and the widow and two sisters of Borsellino. They have been relentless in their calls for justice. Their dignified anger in bereavement has

converted them into the nation's conscience and, already, they have begun to receive anonymous death threats - a sure sign that the Mafia is worried.

In many ways, they have acquired the same moral force as that of the Mothers of the Plaza de Mayo, who became Argentina's conscience for the "disappeared" during the years of military rule. And the Pope seemed to formalise this status last month when, on his third visit to Sicily, he received them in private audience. He also caught the changed mood of the island. Celebrating mass in the grandiose valley of Greek temples at Agrigento, he spoke of the Mafia

by name for the first time and condemned it - a crucial step because the Church, a powerful influence in the island, has been accused for years of being too passive in the fight against the criminals.

Falcone recognised that Cosa Nostra, the umbrella group of the Sicilian Mafia, was the most dangerous organisation of its type and far more powerful than its associates, the Naples-based Camorra, the 'ndrangheta in Calabria and the Sacra Corona Unita in Puglia. As such, the battle against organised crime in Italy had to be fought primarily by defeating and isolating the Sicilian godfathers.

His patient detective work led to

the first maxi-trials of Mafia bosses during the mid-'80s. He proved that Cosa Nostra operated with a formal structure as a state within a state. Through use of a few key former members willing to turn state's evidence - the so-called *pentiti* - he showed that it was organised through a series of regional committees controlled by a commission of the leading clans, which took all major decisions. This made him a marked man - and he knew it.

Although the most heavily-protected public servant in Italy, with 60 round-the-clock bodyguards, the Mafia managed to discover his travel plans - almost certainly via a mole in the interior ministry. As his

convoy of three armoured cars drove from the airport towards the centre of Palermo, it was torn apart by a huge explosive device planted in a storm drain. A similar technique was used to kill Borsellino as he visited his ageing mother in one of Palermo's countless high-rise flat blocks.

Today, the motorway has been resurfaced and only a strip of red paint on a roadside fender marks where the convoy was blown up. In Palermo, the make-shift memorial to Borsellino is less anonymous. A small shrine of flowers and a billboard covered with simple messages of condolence marks the site of his murder.

Behind these simple tributes lies a whole series of measures which seem to show that, after decades of impunity, the Mafia is on the defensive. The most visible evidence is the capture of the alleged two top figures in the Cosa Nostra hierarchy: "Totò" Riina and Nitto Santapaula.

Riina, with his squat build and steely eyes, is said to be the "boss of bosses", heading the clans from a base at Corleone, near Palermo. Arrested on January 15 in Palermo, he had been on the run for 30 years. Then, last month, police grabbed Santapaula, allegedly the Cosa Nostra number two and head of the newer clans in Catania, Sicily's second largest city. Wanted for 10 years, he is thought to have had a role in the killings of Della Chiesa, Falcone and Borsellino.

Riina could have been betrayed. Experts on the Mafia, like criminologist Pino Arlacchi, claim he broke with its tradition of ruling through consensus and, instead, imposed his will violently with an army of 500 gunmen. Boasted by the profits from the drugs trade during the '70s, Riina believed the old "co-habitation" with the politicians was no longer necessary. And he had no compunction in getting rid of opponents like Falcone.

The theory goes that, as a result, Riina brought too much pressure on the organisation and part of Cosa Nostra felt he had become a liability. This scenario is backed by the testimony of his former chauffeur, Baldassare Di Maggio, arrested in December and now a *pentito*. As one member of the anti-Mafia team in Palermo noted: "The fact that Riina's chauffeur has turned against him is very important. Di Maggio was not party to the inner secrets of Cosa Nostra but he was the man most trusted by Riina, collecting him from where he lived and taking him to all the meetings."

The role of the *pentiti* is crucial to action against the Mafia. The first of these "super-grasses" came forward in 1984 - Tommaso Buscetta, a former Palermo boss who fled to Brazil. He was followed in 1989 by Francesco Marino Mannoia, the chief "chemist" (working with heroin) of one of the clans that lost out to Riina in the bitter battle to gain control of Cosa Nostra. Both sought protection in the US and their evil-

Continued on page VII

### CONTENTS

Finance & Family: How to pick a stockbroker	III
Sports: The return of cricket's zinc-painted warriors	XI
Travel: Welcome to the cosmodrome	XII
Gardenings: Robin Lane Fox on the lessons of Chelsea	XV
Books: Alan Clark's diaries - the life of an unusual Tory	XVII
Private View: Christian Tyler meets actor Robert Stephens	XX



Preparing herbal remedies in Hong Kong. A pain free shopping guide to the Crown colony

Arts	XVI, XVII
Books	XVI, XVII
Bridge & Chess	XVI
Crossword	XVI
Fashion	XVI
Finance & the Family	XVI
Food & Drink	XVI
Gardening	XVI
How To Spend It	XVI
Markets	XVI
James Morgan	XVI
Motoring	XVI
Private View	XVI
Sport	XVI
Michael Thompson-Nord	XVI
Travel	XVI
TV & Radio	XVI

### The Long View / Barry Riley

## When brass is greener



**THAT VULGAR** people should make a lot of money by going into "trade" has long been deemed offensive by the more refined classes in Britain. But there are more interesting trends behind the present explosion of protest over the rewards of top businessmen.

The same resentment, after all, is apparent in less elitist America, where executive pay has reached extraordinary levels. Once, you had to create a business rather than run it in order to become truly rich. But not any more.

Remember that the average wage in Britain, the would-be sweatshop of the European Community, is £16,500 a year. The rate of earnings growth has slowed from about 6 per cent in 1982 to 4 per cent at the latest calculation. Last year, however, the average director of a constituent company of the FT-SE 100 index received some 13 per cent more even though, on average, profits fell and dividends stagnated. This is no more than the continuation of an established trend. Throughout the 1980s, the pay of top executives of listed companies rose roughly twice as fast as that of humble workers. We have been seeing a step change in differentials.

The opportunity for this arose in Britain from 1979 onwards when top salaries ceased to be restrained by pay controls and there were high marginal income tax rates (which favoured non-pay benefits). The primary reason for the shift, however, is to be found in the changes in corporate ownership patterns which have presented executives with hitherto undreamt-of power because of the bizarre strategy of institutional shareholders.

Pay levels of £500,000 to £1m are now quite common for big company bosses. Moreover, they are positioned to make extravagant raids on company pension funds, being granted retirement incomes vastly out of proportion to the contributions paid on their behalf (although the £75,000 cap on eligible salary imposed in 1989 will, gradually,

restrict this bonanza). Finally, these pay levels do not even reflect high contractual risks because vast compensation packages are paid out even to executives who have cost shareholders dear.

In an earlier phase of capitalism, companies were run by proprietors. They would direct the strategy and, as owners, would have a clear long-term commitment. However, they would hire managers to run the factories. A good manager was worth a decent salary, and might even be encouraged to wear a bowler hat, but he would not be allowed to get above himself; he called the proprietor "sir" (or, in a family company, "Mr John" or "Mr Richard") and could be replaced easily.

It is quite different in the modern public company. Some 60 per cent of the shares are, in a typical case, owned by institutional investors. They do not have the time or the inclination to act as proprietors. They treasure the right to sell at will, a freedom they would lose if they were to enter into commitments and thereby become "insiders". In place of proprietors, we now have recommended boardroom structures.

These have been defined clearly recently by the Cadbury Committee on corporate governance. Guidelines have been laid down for the chairman and the non-executive directors. Compensation committees and audit committees are supposed to keep boardroom greed under control and ensure that distant shareholders are properly informed. It is proprietorship by proxy, and the clear message from the grotesque pay spiral is that it is not working.

Who exactly are these proxy proprietors, the non-executive directors? There are two pools. One is a group of professional directors and advisers, of highly variable experience and status and of uncertain effectiveness. The other consists of senior executives who are encouraged to take up non-executive directorships in other companies. They are classic cuckoos in the nest. The idea is that they can pass on their wisdom and spot trouble in the making.

Perhaps, but they are managers playing at being proprietors, and it is dangerous to muddle up the roles.

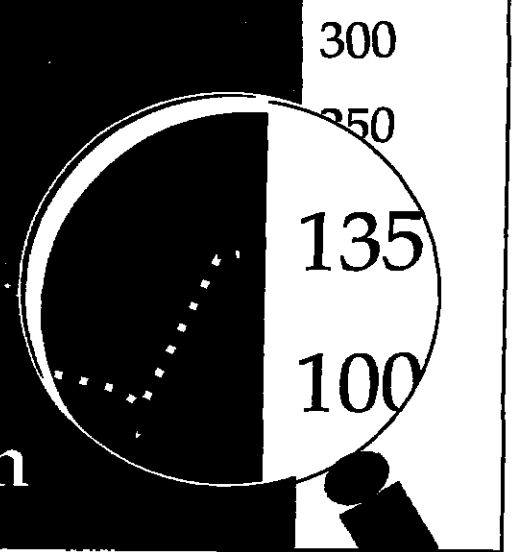
It is plainly in their self-interest to encourage the pay spiral, which they are doing with some vigour. They may, of course, consider that they are being given nods and winks by the institutional shareholders, whose bosses are themselves benefiting from exactly the same widening of differentials. For instance, I liked the story of George Greener, the chairman and chief executive of the life insurance company Allied Dunbar. Greener, who eked out an existence on the modest salary of £60,000, took on another responsibility recently within the parent BAT Industries. He did this without extra remuneration because - a spokesman explained - money isn't everything.

His near-namesake Sir Owen Green, who has just retired as chairman of BTR (where he was paid a pittance of £217,000) has attacked rampant greed in the boardroom. But are top managers really any greedier than they ever were? What appears to have changed is that they have the opportunity.

One or two leading institutional shareholders, such as Postel and Garmore, appear at least to be seeking more information about what is being decided in the remuneration sub-committees. But the institutions will have to organise themselves properly, and lay down appropriate benefit scales, if they are to gain control of top executives' pay. Managerial capitalism is taking over from proprietorial capitalism. The rewards are being diverted to where the real power is. For a glimpse of the future, look at the pay packages worth tens of millions of dollars being enjoyed by top US executives.

To head this off, British institutions will have to form strategic commitments to companies and be ready to supply control and direction. The top executives of the companies should be made to feel a little scared, and should judge that it is appropriate to say "sir" when speaking to their owners. But perhaps, to soothe bruised egos, they could be permitted to wear bowler hats.

Take a closer look at Japan



So far this year the Japanese stockmarket First Section has increased by 34%. In Sterling terms. This follows a three year period in which company profits have almost halved. We believe the recent market advance marks the beginning of a rally which will gather pace as firm evidence of better company profits comes through.

To make sure that you do not miss out you should consider investing now.

And for Japanese investment there are few better companies to choose than Schroders. The company has an impressive long term performance record based on fundamental research and local knowledge.

The Schroder Tokyo Fund is a well diversified Japanese fund investing in larger companies and is the No.1 fund in its sector since launch in 1981.

For more information return the coupon opposite or call ClientLine free on 0800 536535.

\* Source: Microcap 1.1.82 to 12.82  
\* Source: Microcap 2.3.81 to 12.82  
Offer to Bid net income reinvested.

Schroders

SCHRODER TOKYO FUND  
CALL FREE  
CLIENTLINE ON  
0800 526 535

To: Tokyo Fund 00295, Schroder Unit Trusts Limited, FREEPOST, London EC2B 2UT.

Please send me further information and an application form for the Schroder Tokyo Fund immediately.

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Postcode \_\_\_\_\_

Tel No \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## MARKETS

## London

## Investing in the cult of personality

By Peter Martin, financial editor

ON WEDNESDAY, the stock market had to divide its attention between a \$500m bet on the property cycle and a \$50m commitment to global leadership in the 21st century's most important industry.

No prizes for guessing which stimulated more excitement. It was the announcement that George Soros, "the man who broke the Bank of England" on Black Wednesday, was buying a \$34m stake in British Land and setting up with it a \$500m partnership to buy UK property. Investors pushed up British Land's shares by 46p to 344p, brushing aside the company's accompanying \$132m rights issue and helping the property sector as a whole to rise 6 per cent on the day.

By comparison, British Telecom's news had much less impact on share prices. BT is paying \$4bn to buy a 20 per cent stake in MCI, America's second-biggest long-distance phone company, and creating a \$1bn joint venture to serve the

global communication needs of multinationals. BT shares closed down 5p on the day, at 421½p. The only side-effect was a mild flurry of interest in the shares of Cable & Wireless and Vodafone, seen as potential partners for American Telephone & Telegraph.

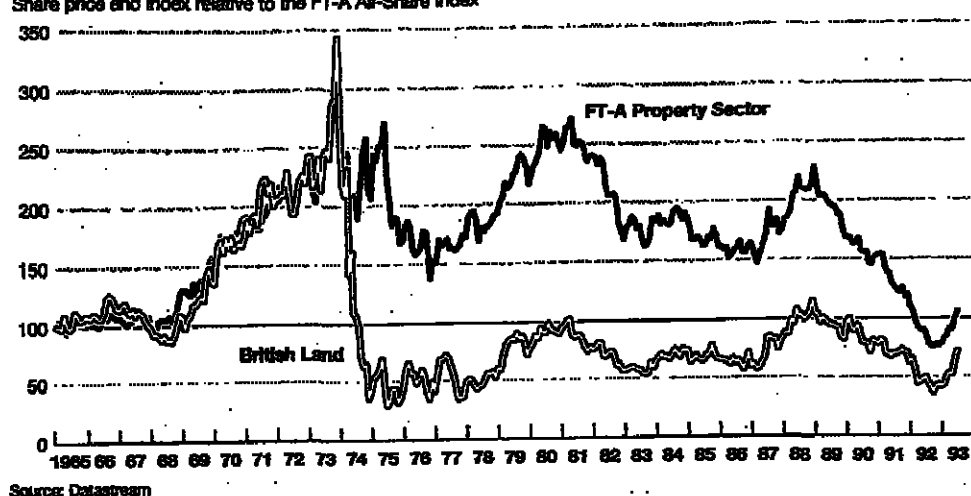
The contrast between the two reactions illustrates, perhaps, that investors are more comfortable with straightforward questions of timing and personality than complex judgments about a company's vision and abilities.

Soros's property play was a reassuring validation - by the man who is, at present, the world's most influential investor - of the conclusion the market reached some time ago: that the UK property market is past its worst. Since investors cling to the visceral belief that timing property right is one of the few sure-fire ways of making money in the UK, their reaction is not surprising.

As the chart alongside shows, however, in the very long run neither property

The long march of the property sector

Share price and index relative to the FT-All-Share Index



shares in general, nor the talents of John Ritblat, British Land's boss since 1970, are a guarantee of sustained outperformance.

The question hanging over property shares - is there still lots of recovery to come, or has the 92 per cent rise since September exhausted the immediate potential for gains? - is also an issue for investors considering other kinds of cyclical stocks. For property, the Soros/Ritblat deal went some way to assuage any worries this week. For other cyclical sectors, however, the jury is still out - a thought underlined by a research note from Susan Wadhvani and colleagues at Goldman Sachs.

Looking back at how cyclical sectors have done during other recessions, they find that the usual period of outperformance, as the market anticipates economic recovery, comes to

an end 6-9 months after the economy touches bottom, to be followed by a period of underperformance.

If September 1992 is the trough of the most recent recession, that might make you think that the period of strong gains by cyclical stocks is now drawing to a close. Goldman Sachs concludes, indeed, that a large part of the cyclical's outperformance is probably over.

Every cycle has its quirks, however. One striking factor this time is that the market's fears that ERM membership would prolong the recession long beyond its natural trough postponed the moment at which the cyclical's outperformance began. Usually, a number of cyclical sectors - banks, property, electricals, building materials - start outperforming the rest of the market well ahead of the moment the economy starts its own recovery.

This time round, that did not happen. Almost all the cyclical sectors did worse than the market as a whole in the period before Black Wednesday. They have since done much better, but some may still have ground to make up to compensate for their relatively late start in the business of outperformance. Goldman Sachs thinks contracting and construction, electricals, hotels and leisure, motors, and (you guessed it) property are all sectors where there is still scope for further outperformance.

For the market as a whole, this was another week trapped inside the trading range of 2,780 and 2,880 on the FT-SE 100 index. The upper and lower boundaries of this range, set six weeks ago, came under lit-

tle threat in a week when much of the City seemed still to be celebrating Monday's bank holiday. For those at their desks, there was the stimulus of renewed speculation about a possible cut in base rates, perhaps timed to accompany Kenneth Clarke's first set-piece policy speech as chancellor at the Mansion House on June 15.

Bank of England actions in the money markets appeared first to be steering the market away from this conclusion, by keeping money tight, then to be lending support to it by offering money on a two-week basis (which coincides with the speech) rather than the more normal three. The net effect of these actions - and of some money supply figures which raised the possibility that the recovery was slowing down prematurely - was to leave a lingering impression that an interest rate cut might indeed be possible.

As the week drew to a close, the most intriguing news was the announcement that Transatlantic Holdings, the financial services group chaired by Donald Gordon of South Africa, had taken a 3 per cent stake in Sun Alliance, the insurer. "We see this as a strategic investment in embryo," said Gordon, implying that, in time, the embryo would grow.

In the mid-1980s, Transatlantic acquired a similar embryonic shareholding in Sun Life, which matured in time into a 50 per cent controlling stake. On Friday, the market reacted to this thought by marking Sun Alliance shares up 5 per cent, to 350p. As with George Soros, the "who" of the investment was more important, in the short run, than the "what."

## Serious Money

## A new way to put Pep in a mortgage

By Philip Coggan, personal finance editor

EVER SINCE personal equity plans were first sold in 1987, there has been scope for investors to use them as a mortgage repayment vehicle. They would appear to have many advantages: tax-free income and growth; a return based on equities (which have been shown repeatedly to be the best long-term investment); and flexibility. But the Pep mortgage has failed singularly to break through into the territory of the endowment policy.

The initial problem was lender reluctance to accept a Pep as security. More recently, it seems to have been the low rates of commission paid relative to endowment policies; this reduces the incentive for brokers to sell Pep mortgages.

A new product on offer from Capital House, part of the Royal Bank of Scotland, aims to challenge the endowment's domination. The Synergy mortgage plan combines a unit trust Pep with life assurance. The idea is that the combined premium will be lower than for an endowment designed to repay the same sum.

There are some ingenious features. The amount of life insurance varies each month, so that the Pep's value, plus the life insurance, is always equal to the loan. Therefore as the Pep increases in value, less needs to be spent on life insurance and more can be invested. In order to sell the idea, Capital House has put together a packaged product, thereby giving it scope for paying greater commission. The snag for the borrower is some endowment-style charges. For a 25-year loan, half the first two years' premiums will disappear in fees. In addition, a flat administration fee of £2.35 is deducted from each monthly payment. The underlying unit trusts have a 6 per cent initial charge and an annual fee of 1.25 or 1.5 per cent.

Given all these charges, how is it that the plan is "cheaper"

than an endowment? In part, this reflects the costs involved in an endowment policy. But it also relates to growth assumptions of the policy. In order to repay a mortgage, you must assume that the money invested grows at a set rate per year. The higher the growth rate you assume, the smaller the premiums you need to repay a given sum.

In the case of the Synergy mortgage, Capital House is assuming a 10.5 per cent growth rate, the middle of the range permitted by regulators for Peps. When quoting rates for endowment policies, the assumed growth rate is normally around 7.5 or 8 per cent. Of course, returns within a Pep are free of both income and capital gains tax. Although the eventual payout from an endowment policy is tax-free, the life fund in which the money is invested is subject to tax. So, it is legitimate to assume that a Pep will grow at a faster rate.

There is nothing guaranteed about it, though; indeed, the regulatory growth assumptions will shortly be reduced so that, from September, Capital House will probably have to quote on the basis of 9 per cent returns. There are other factors which might upset the assumptions; tax rates on dividends may change (as they did in the Budget); Peps could be abolished (in which case the unit trust element would continue but the tax breaks would diminish); and a very good life fund manager might outperform a Pep fund manager.

The investment assumptions are very important. Take the example of a male, aged 40, wanting to borrow £50,000. The Capital House sum requires a premium of £66.85 a month compared with £72,230 for endowment policies. But if you assume the Pep grows at only 8.5 per cent a year, the plan would fall short of repaying the mortgage by some £13,500.

In practice, this would not

happen. Premiums would be increased when it became clear investment performance was worse than expected. But suppose that endowment providers, instead of assuming 7.5 per cent returns, went nearer the top of the permitted range allowed by regulators.

Take the premium needed to repay a £30,000 loan for a male aged 29. Capital House quotes £37.45 a month. Standard Life, quoting on the same basis, came up with £42.84 a month on its normal assumed growth rate of 7.5 per cent. Had it assumed 9 per cent a year, its quote would have been £35.07; and at 10.5 per cent a year, the premium dropped to £32.74.

A Pep is more flexible than an endowment. Investors should not suffer unduly if they want to cash in their plan - and repay the mortgage - after, say, 18 years. The value of their plan is easy to ascertain. But the surrender value of a with-profits endowment after 18 years is at the discretion of the life company. Even the more transparent unitised with-profits policies allow for a "market adjustment factor" on early surrender.

The cautious might argue that there is no equivalent to the with-profits endowment policy's "guaranteed sum" on the Synergy plan. But the guaranteed sum is not sufficient to repay the mortgage; it is simply the base sum, to which bonuses are added.

What about the investment credentials of Capital House? The Pep is based on two unit trusts: Managed, and Income & Growth. The former, previously known as Global Opportunities, was 81st out of 116 funds in its sector over five years; the latter was 13th out of 97 over the same period.

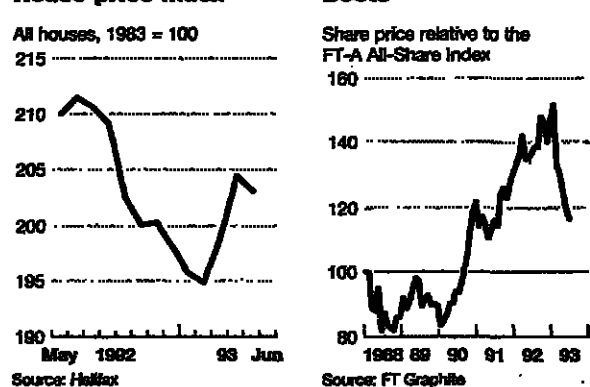
One hopes that the example of Capital House will spur other investment groups to push the Pep mortgage, giving investors the prospect of competition on charges and a choice of funds for investment.

## HIGHLIGHTS OF THE WEEK

	Price	Change	1993	1993	
	£/day	on week	High	Low	
FT-SE 100 Index	2829.9	-10.8	2957.3	2737.8	Fading interest rate hopes
FT-SE Mid 250 Index	3175.1	+9.7	3191.4	2876.3	Switch from blue chips
Airtours	306	+11	345	269	Rumours of acquisition plan
BT	407	-15	445½	376	Joint venture/debate in MCI
British Aerospace	370	+31	373	165	Sale of corporate jets business
British Land	324½	+40½	325	165½	Partnership with George Soros
Fortis	207	+13	209	170	Some UK brokers turn positive
Goal Petroleum	60½	+7½	67	45	North Sea drilling success
ICI	689	+81	694	608	Post-merger buying
Land Securities	576	+24	586	435	Sector boosted by Soros deal
SmithKline Beecham A	453½	-26½	513	389	Worries about US healthcare reforms
Sun Alliance	350	+27	362	307	Transatlantic increases stake to 3%
VSEI Consortium	803	+50	810	513	Profits above market forecasts
Vodafone	454½	+25½	457½	367	May sub figs/US holdings up to 18.6%
Westland	181	+8	188	121	Favourable results

## AT A GLANCE

## House price index



## Contradictory data on UK house prices

HOUSE prices in the UK fell by a seasonally adjusted 1.2 per cent in May, according to the Halifax House Price Index. Prices had risen 1.4 per cent in March and 1.7 per cent in April. House prices are now 3.3 per cent below a year ago, compared to last month's figure of 2.3 per cent down on the year. But figures from the Nationwide building society this week showed a 1 per cent rise in house prices in May, with prices down 5.5 per cent from a year ago. The Halifax said that the housing market showed clear signs of recovery, but warned that realistic prices were still necessary to generate house sales. The Halifax predicts a gradual recovery in 1993, becoming more sustained in 1994, when house prices should grow broadly in line with earnings as a whole.

## Market frets over Boots

BOOTS announced a 19 per cent increase in pre-tax profits, but its shares have underperformed the market by almost 25 per cent since January. The share price has been knocked by City fears that the group's strategy in the face of price competition from rivals such as Superdrug could threaten margins at Boots the Chemist, and that problems with the US authorities over Manoplex, a heart drug, could cut profits at Boots Pharmaceuticals.

## New BES launched

MNI this week launched Homestake, a Business Expansion Scheme company which will buy residential properties in the Midlands and north of England, to be let as assured tenancies. It offers investors a covenanted return after five years of £1.23 for each £1 invested, equivalent to a net annual return for higher rate taxpayers of 14.1 per cent. For basic rate taxpayers it equates to 9.9 per cent. The return is covenanted by Devonham Group, and is supported by cash deposits to meet 100 per cent of its obligations. Investors will receive 50 per cent of any excess in the value of the properties when they are sold. The minimum investment is £1,000, and the issue is limited to £3.5m.

Britannia claims to have found a way round a proposed amendment to the finance bill which would cause investors in loan-backed BES companies to lose tax relief on loans taken up after June 30. Britannia has written to investors in schemes launched in March offering them the opportunity to complete a loan before June 30. Loans could not previously be taken up until six months into the scheme.

## Firstdirect alters charges

Firstdirect is to restructure its charges for excess overdrafts from the end of July. The current £15 charge for phoning or writing to a customer about an excess overdraft will be abolished, but instead the flat fee for exceeding an agreed overdraft will go up to £25 from £20 per calendar month. The charge for each subsequent day during the month that the overdraft increases will rise to 35p from 25p. Charges for authorised overdrafts are not affected. The APR for authorised overdrafts is 17.4 per cent, and for unauthorised overdrafts 31.8 per cent.

## Small companies index rises

Small company shares continued to rise last week, with the Hoare Govett Index (capital gains version) increasing 0.84 per cent from 1440.45 to 1449.71 over the seven days to June 3.

## Wall Street

## Dealers obsessed with simple little number

SOMETIMES, as every well-dressed woman knows, a plain black dress outshines the most glamorous couture.

So it was with Wall Street this week. A multi-billion dollar alliance between British Telecom and MCI, the second largest long-distance telephone company in the US, and a record-breaking flotation failed to divert investors from one simple concern: inflation.

Having spurred to an all-time closing high 10 days ago, the US stock market hung on to these levels for the first couple of days after the Memorial Day weekend. But it failed to push ahead to new highs, and the closing levels on Tuesday and Wednesday fell slightly shy of \$554.83-mark which the Dow Jones Industrial Average had reached on the previous Thursday.

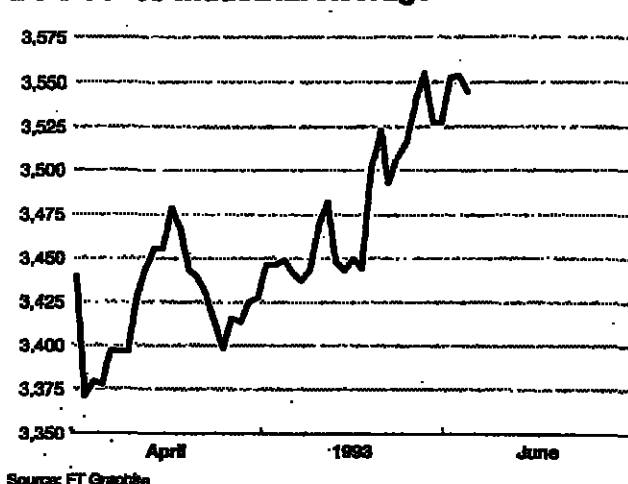
Moreover, by the latter half of the week, traders were obsessed with the employment data due to be released on Friday morning. In the event, they had good reason to be worried. The May employment report showed a rise 209,000 in non-farm payrolls last month - considerably more

than the 155,000 which many analysts had predicted. The unemployment rate fell by one-tenth of a percentage point, from 7 to 6.9 per cent. Most forecasts had suggested that it would stay unchanged.

On the one hand, the surprisingly strong numbers seemed to alleviate some of the recent concerns about the strength of the US economy's recovery. But from the viewpoint of both the equity and bond markets, they also reinforced the notion that inflation may have crept back into the system - in turn, suggesting that the Federal Reserve will seek to raise interest rates. Long-dated government securities slipped on news of the jobs data, bond yields rose, and shares prices eased back. By noon, the Dow Jones Industrial Average had lost slightly in excess of eight points, at 553.66.

Perhaps the best description of Wall Street's current mood came from the pundit who likened it to a tug-of-war. At one end of the rope are the bulls, who see an economy rebounding but with enough lingering weakness to hold inflation at bay. At the other are the

## Dow Jones Industrial Average



bears, who see rising prices and interest rates at every turn. Last week was a small victory for the latter.

Amid these "big issues", few stocks grabbed much of the spotlight. The notable exception was in the telecommunications sector where repercussions from the BT-MCI link-up were widespread. Essentially, the deal involves BT investing \$4.5bn for a 20 per cent stake

in MCI, and the two companies in setting up a \$1bn-plus joint venture. This enterprise, in which BT will hold the majority stake, plans to concentrate on fast-growing demand from multinationals for international voice and data transmission services. As such, it represents a direct challenge to efforts by American Telephone & Telegraph to corner this type of international custom.

BT will invest its money in MCI in two tranches, and the deal will not be completed until 1994. Still, with BT prepared to pay an average \$64 per MCI share, the US company's stock rose sharply and hung on to some of those gains. MCI shares, which had closed at \$52 ahead of the deal's announcement, were trading at more than \$54 on Friday morning.

By contrast, AT&T, which also announced last week that it was linking up with Viacom to test a new video-on-demand technology, dipped immediately but quickly recovered. They ended the week little changed. BT's American Depository Receipts were the loser, shedding about \$4 to end the week at \$64.4.

The other important event of the week was the flotation of a 20 per cent stake in Allstate, the second largest writer of home and car insurance policies in the US after State Farm. It was wholly-owned by Sears, Roebuck. But Sears has pledged to concentrate on its core retailing interest - and the flotation of Allstate is part of this strategy.

Late on Thursday, the Allstate issue was priced at \$37 a share, at the upper end of the indicated range and ensuring proceeds of over \$2.1bn. This made the sale the biggest "initial public offering" ever seen in the US, easily outstripping Conrail's \$1.64bn share sale in 1987. By the end of the week, moreover, Allstate's underwriters and its new-found investors had every reason to smile: the insurers shares had moved to a healthy premium, at \$28½.

Meanwhile, BT was not the only transatlantic stock to win some attention. Investors indulged a flurry of "dividend-stripping" at Hanson, causing the UK conglomerate's ADR to become the most actively traded issue on the Big Board on Wednesday. This time, however, there was no multi-billion deal to underpin the interest, and the ADR price remained unchanged.

Nikki Tai

## The Bottom Line

## Soros factor lifts property

SHARES in commercial property companies have hit the roof. This week, when George Soros, the international speculator, announced he was sinking £284m in UK property, the sector rose by more than 6 per cent in a day.

This added further sparkle to the revival in property share prices that started last September. Since sterling left the exchange rate mechanism, cuts in interest rates, hopes of economic recovery and the prospect of higher inflation pushed the property sector up by 92 per cent, compared with a 26 per cent rise in the FT-All Share Index.

The stock market's enthusiasm for property shares is highlighted in the relationship between share prices and net asset values. As the chart shows, shares in property companies usually trade at far less than the value of their underlying assets. Now - and for only the second time in 15 years - shares are trading at a premium to asset value.

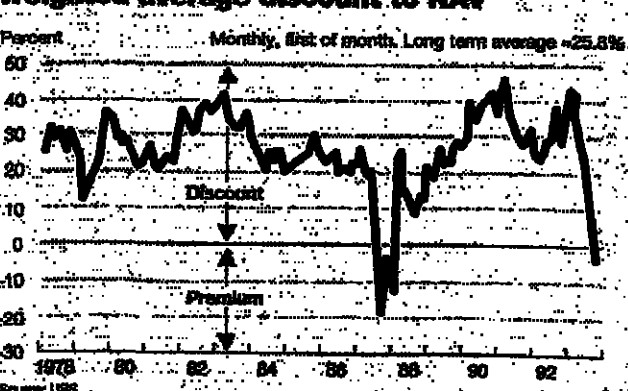
There are two reasons. First, investors have been attracted by property shares' higher-

than-average yield. Although prospects for dividend growth remain feeble, yields look increasingly secure as property companies become less likely to make dividend cuts.

Second, the City has become increasingly optimistic about the outlook for asset values. Looking ahead, investors expect the discount to net asset value to reappear, as property values rise. But predicting the movements of property values is notoriously difficult. Moreover, any errors in forecasting property values will be magnified into large errors in net asset values, since property companies are highly geared.

Would-be property investors are not confined to property shares. Two authorised property unit trusts are targeted at private investors: Barclays Unicorn Property Trust and Norwich Union Property Trust.

## Weighted average discount to NAV



In addition, Johnson Fry, the financial services group, is marketing a unquoted commercial property investment that will invest in high yielding property for a maximum of four years.

However, most private investors are likely to rely on prop-

erty shares if they want to be exposed to the sector. People wanting to spread their risk might consider the two investment trusts that specialise in property shares, TR Property Investment Trust and Trust of Property. Otherwise investors will need to select stocks with

care, since the next few years are likely to see large disparities in the performance of different companies according to their spread of assets and quality of management.

The ratio of debt to equity is important. The gearing of the large property companies ranges widely, from about 50 per cent for Land Securities to around 90 per cent for Great Portland Estates.

On the face of it, the companies with the highest gearing will produce the greatest increase in net asset values, if property values are rising. But the City is often more enthusiastic about companies with lower borrowings that have the scope to make shrewd acquisitions, which is why the stock market has reacted enthusiastically to the recent spate of fund raising exercises.

The property sector is dominated by a handful of large

investment companies, namely Land Securities, MEPC, British Land, Slough Estates, Great Portland, Brixton and Ham-merson. But analysts believe several smaller companies have good prospects. USBS, the broker, favours Town Centre Securities, Frogmore, Mucklow, PSIT, Capital & Regional and Burford.

Recovery situations, such as Scottish Metropolitan and Dwyer, may also prove rewarding, it says. But investors should be aware of the risks. Last week's collapse of Spey-hawk, the developer, demonstrates that stock picking in this sector is still potentially treacherous. The ranks of smaller property stocks are littered with penny shares that may not survive.

In any case, investors should not expect to make profits in the short term. Even the most enthusiastic City analysts are talking about a period of consolidation. It may take firmer evidence of an uplift in the underlying property market before the recovery in property share prices resumes.

Vanessa Houlder



# FINANCE AND THE FAMILY

## What you will pay for your deals

might find it more interesting to own a stake in Marks & Spencer and Glaxo than in the M&G Dividend fund.

If you are giving a broker complete discretion over your funds, then you will need a high level of trust in the individual handling your account. But you should also expect a good service in the form of regular valuations, handling of dividend income and your capital gains tax position and so on.

Price is the obvious way to compare execution-only services and some details are given in the article on the right. But there are other factors. Some brokers, such as Fidelity, offer money market accounts in which investors' cash earns interest in between deals. On the other hand, Fidelity's service is nominee-based and many investors might prefer to own the shares in their own names, as occurs at Sharelink.

Although there is a tendency to think that those who use execution-only services are "on their own" in terms of investment decisions, brokers can give factual information or pass on details of what other brokers are recommending.

Sharelink, for example, offers an excellent low cost range of information including reports of analysts' recommendations for £2.95 and company reports for £4.95.

The toll-free telephone lines available from services such as Fidelity may appeal as may those brokers who have phone lines open at weekends, or who can deal in overseas securities (see article on right for US dealing details).

In terms of sheer cheapness, the Share Centre (0442-880800) offers a one-stop service with a minimum commission of just 28p. This service is available only for privatisation shares plus Abbey National and TSB.

Finally, if you are only interested in selling individual shares, perhaps acquired through privatisations, you may well find special deals on offer through banks and building societies. The upcoming BT3 offer will involve 150 "share shops", many of which will be seeking to attract new customers by offering special incentives to those who register for the BT offer. The *Weekend FT* will try to give details of these special offers over the next few weeks.

THE FOLLOWING is a guide to the dealing rates charged by some of the major banks and execution-only brokers.

■ Barclays bank offers a dealing service in 50 popular shares, available from any branch. The commission rate is 2 per cent with a minimum of 15p. The bank's certificated share dealing service charges 1.65 per cent on the first £10,000, with a minimum of 28p; 1.125 per cent on the next £10,000; 0.5 per cent on the following £20,000; 0.4 per cent on the next £20,000; and 0.3 per cent thereafter.

■ Midland bank charges 1.5 per cent on deals worth up to £7,000, with a minimum of 28p; 0.55 per cent on the next £2,000; 0.5 per cent on the following £15,000; 0.4 per cent on the next £170,000; and 0.3 per cent on the following £600,000. At Midland Shareshop, available at 126 locations, the maximum commission is 1.50.

■ National Westminster bank has a special touchscreen service at 279 of its branches. The commission is 1.5 per cent on purchases between £1 and £9,999, with a minimum of 28p. At all other branches, rates are 1.65 per cent on deals between £1 and £5,000, with a minimum of 28p; 1.5 per cent on deals between £5,001 and £12,500; 0.5 per cent on £12,501 and £25,000; and 0.4 per cent on £25,001 and £100,000. There is a postal service at a 1 per cent rate (with a minimum of 28p).

A telephone dealing service starts at 1.5 per cent (1.25 per cent for Gold Card-holders) on deals between £1 and £5,000. ■ Sharelink (021-200-2474) charges 1.5 per cent on deals worth up to £2,500, with a minimum of 28p. Deals worth more than £2,500 face commission of 1.5 per cent on the first £2,500; 0.75 per cent on the next £2,500; and 0.1 per cent on amounts above that.

■ Fidelity (0800-222 190) charges a minimum

commission of 25p on deals worth less than £2,500. Above that level, dealing charges are: £2,501-£5,000 (25p); £5,001-£7,500 (25p); £7,501-£10,000 (25p); £10,001-£15,000 (27p); £15,001-£20,000 (27p); £20,001-£25,000 (28p); £25,001-£30,000 (28p); above £30,000 (0.25 per cent, with a maximum of 25p).

■ US shares. US discount broker Charles Schwab (071-495 7444) opened recently for business in London and charges an over-riding minimum of 39p for dealing in US shares. Based on transaction sizes, commission rates are: up to £2,500 (£30 plus 1.7 per cent of principal); £2,500-£5,000 (£56 plus 0.65 per cent); £5,001-£10,000 (£76 plus 0.34 per cent); £10,001-£20,000 (£100 plus 0.22 per cent); £20,001-£50,000 (£154 plus 0.11 per cent); and £50,001 plus (£255 plus 0.09 per cent). These figures are subject to minima of 9 cents a share for the first 1,000 shares, plus 4 cents a share thereafter (for stocks trading below \$5 a share) or 5 cents (for stocks above \$5).

Fidelity deals in US securities at rates which vary according to the following scale: deals worth less than £2,500 (£29.50 plus 1.7 per cent of principal); £2,501-£5,000 (£56.50 plus 0.65 per cent); £5,001-£10,000 (£76.50 plus 0.34 per cent); £10,001-£20,000 (£100 plus 0.22 per cent); £20,001-£50,000 (£154.50 plus 0.11 per cent); and £50,001 plus (£254.50 plus 0.09 per cent).

Sharelink also trades in US shares through its Liberty service. The minimum commission is 38p on deals worth up to £2,533. Deals valued at between £2,534 and £5,000 cost 1.5 per cent, with a further charge of 0.75 per cent on the next \$5,000 of value and 0.19 per cent on amounts over \$10,000. There is an over-riding minimum charge of 2.5 cents for every share bought or sold.



## Taking stock: how to find the right broker

Philip Coggan on the choices you face if you want to invest in shares

THE PUBLIC image of stockbrokers has often been poor. Either they are seen as the haughty pin-striped types, who will not let you through the door unless you are a millionaire; or they are portrayed as spivs on the lines of Private Walker in Dad's Army, trading on wild rumours or inside information.

These stereotypes are nowadays fundamentally unfair. The harsh laws of economics have made more and more brokers willing to welcome clients of modest means, and using some of the cheap and cheerful telephone dealing services is no more daunting than ordering theatre tickets by phone.

So investors who are looking for an alternative to the building society should not be frightened of approaching a broker. But how do you find the right one for you?

First decide what type of service you need. In essence, there are three types of stockbroking service. Execution-only brokers will buy and sell shares on your behalf, but will not offer advice on which stocks to select. Advisory brokers will trade for you but will also discuss the wisdom of your decisions, and suggest their own trades. In addition, they may help with tax planning or portfolio construction.

Both the above types of service earn their corn by the commissions they charge every time you deal. Discretionary brokers assume command of your portfolio and take all the investment decisions. Some still take their reward in the form of commission but more and more are switching to fees, based on a proportion of assets under management.

For the client, this has the advantage of creating a coincidence of interest between himself and his broker: if the portfolio does well, the broker's fee rises. It also reduces the threat of "churning" the portfolio - excessive dealing to earn commission - although this partly depends on whether commissions are charged on top of fees.

For the broker, a fee represents a steady source of income. The industry has tended to polarise in recent years between execution-only brokers and the discretionary kind. In part, this is because

some brokers found advisory services unprofitable, with a long list of clients who seldom bothered to deal. Another factor is that the dealing commissions of advisory brokers are undercut by the execution-only firms.

But Paul Killik of the London-based Killik maintains that clients still appreciate an advisory service. "It gives the client the chance to kick ideas around with somebody else. They are happy to do that for the cost of an extra 0.4 of a percentage point in commission," he says.

Killik adds: "Clients may think they are saving a few pounds commission using an execution-only broker but they may get legged over in the

market when it comes to the prices at which they deal."

Brian Tora of London-based broker Greig Middleton says it is a great help to be able to bounce ideas off people at the other end of the telephone. "Advisory brokers can give you greater control of timing, and add a certain perspective to your own research," he argues. Greig Middleton offers a service called Assetcare where commission is reduced and can be offset against fees.

It is very hard to judge whether the advice of a broker is value for money. Accordingly, it is just as difficult to choose between an advisory broker and another. All one can rely on are three qualitative rather than

quantitative criteria: do you know someone who can recommend a broker? do you feel comfortable with the individual who will be your point of contact with the advisory firm? and are the ancillary services provided by the broker - tax planning etc - of the standard you seek?

When it comes to a discretionary service, there is a little more evidence to go on. Few brokers will give performance figures for the "average client" on the grounds that the needs of their clients differ fundamentally; some want income, some want growth; some are very cautious, others are willing to take substantial risks.

But often firms will manage

collective funds such as unit or investment trusts, and investors can check their performance records in publications such as our sister magazine, *Money Management*.

The size of the fees (or combination of fees and commissions) being charged is another obvious criterion for assessment. Another factor may be whether the broker will invest your portfolio directly into equities or (normally if your holding is worth less than £100,000) into unit or investment trusts.

There is nothing wrong with the latter course and indeed some brokers, such as City firm Foster & Braithwaite make a speciality out of it. On the other hand, some investors

ACT NOW OFFER ENDS 11TH JUNE 1993

## THE DRAGON AWAKES A NEW MARKET EMERGES



INVEST IN ONE OF THE WORLD'S FASTEST GROWING ECONOMIES

The dragon awakes and as it does a market of enormous potential emerges. China. A market with an economic growth rate of 12% in 1992 - one of the fastest in the world. And 14 years of market reforms have made China's economy the world's 10th largest.

Save & Prosper's China Dragon Fund is the first UK unit trust to invest only in companies that will benefit from the country's rapid and strong economic growth. All of these are "China Play" stocks - those companies which trade with or operate in China. Companies like China Light & Power, HK Telecom, Hang Seng Bank and Sun Hung Kai Properties.

Increasing volumes of capital are being invested in China. This together with management expertise, services, transport and port facilities from Hong Kong, and China's own huge labour force and land bank are supporting the country's drive in opening up to new market forces.

Leading its reform drive is Guangdong Province in Southern China. Which is currently experiencing an economic growth of 25% a year.

About Save & Prosper and Fleming's  
Save & Prosper is part of Fleming's, which currently manages over £30 billion for investors worldwide. Fleming's associate company, Jardine Fleming, is the largest foreign Fund Management Group in the Far East with \$6 billion under management. Jardine Fleming has an office in Shanghai, the location of one of China's two stock markets.

Take This Opportunity To Invest Now  
Save & Prosper's new China Dragon Fund offers you the chance to discover the rich and exciting potential of China for yourself. But remember that you should regard investment in China as long-term, not forming more than 5% of a growth portfolio.

You can invest from as little as £1,000. And, if we receive your application no later than 11th June 1993 we are offering a 2% discount.

To take advantage, just post the coupon, talk to your financial adviser or ring our free Moneyline.



CHINA DRAGON FUND

CALL FREE 0800 282 101

To: Save & Prosper Securities Limited, FREEPOST, Romford RM1 1BR. Please send me details of Save & Prosper's China Dragon Fund.

Surname

Forenames

Mr/Mrs/Miss

Address

Postcode

So that we may call and offer further information.

Home Tel (STD) No

Work Tel (STD) No



SAVE & PROSPER

THE INVESTMENT HOUSE

THE PRICE OF UNITS, AND ANY INCOME FROM THEM, CAN GO DOWN AS WELL AS UP AND YOU MAY NOT GET BACK THE FULL AMOUNT YOU INVESTED. INVESTORS SHOULD BE AWARE THAT THE MARKETS IN WHICH THIS FUND CAN INVEST CAN BE HIGHLY VOLATILE. SAVE & PROSPER GROUP LTD IS A MEMBER OF IARD AND LAURIC.

AN INVITATION TO CONTACT ONE OF THE WORLD'S OLDEST MERCHANT BANKS ABOUT PRIVATE SERVICES OF VALUE.

(In a world of change, certain principles of personal service should remain constant)

Capital is hard enough to acquire, without entrusting it to people you know nothing about and who may care little about you. Hambros is one of the oldest and best known merchant banks in the world. It has an unbroken pedigree of service and prosperity going back to 1839 when Carl Joachim Hambros set up his banking business in the City of London.

Today, from its headquarters in Tower Hill, it manages a world-wide banking business with members of the family still actively involved. Hambros Bank (Guernsey) Limited was incorporated to bring to private clients all the benefits of this experience and skill, in the particularly advantageous jurisdiction of the Channel Islands. Guernsey has the advantage of enjoying a special relationship with the European Community and has the benefits of being outside the EC's tax jurisdiction and the fact that no local taxes are levied on the income and capital gains of non-residents.

Hambros in Guernsey offers its private clients the performance expertise of a Major Merchant Bank, but with a level of personal service rarely associated with banking today. There are many further benefits of banking with Hambros in Guernsey, and we have prepared a special booklet to make these known to you. It could pay you to send for it by means of the coupon opposite.

Hambros Bank (Guernsey) Limited

To: Paul Ludden Esq., Hambros Bank (Guernsey) Limited, PO Box 6, Hambro House, St Julian's Avenue, St Peter Port, Guernsey GY1 3AE, Channel Islands. Please send a copy of your booklet. Services of Value, too.

Name

Address

The paid up capital and reserves of Hambros Bank (Guernsey) Limited currently exceeds £22M. Deposits made with Hambros Bank (Guernsey) Limited are not covered by the Deposit Protection Scheme under the U.K. Banking Act 1987. Hambros Bank (Guernsey) Limited is registered under the provisions of the Protection of Depositors (Bailiwick of Guernsey) Ordinance 1991, as amended. Copies of the latest audited accounts are available on request.







## FINANCE AND THE FAMILY

# Plan ahead for holiday cash

Bethan Hutton suggests some ways to make the traveller's life more tolerable

TRAVELLERS' tales of nights under the stars and eating for a pittance from authentic street stalls may make wonderfully escapist reading, but most people's idea of a holiday involves comfortable accommodation, good restaurants and, perhaps, a spot of shopping.

If you are unlucky, though, you could return to tell picturesque tales of living on a shoestring. Cash can be stolen, credit cards rejected, and travellers' cheques take time to replace if they go missing.

The combination of cash, plastic and cheques you choose depends on your destination. If you are going somewhere for the first time, ask your travel agent what is likely to be acceptable - you could be surprised. Sterling travellers' cheques can be cashed in some of the most exotic locations, but only with extreme difficulty in the US. Travellers' cheques in dollars are the easiest to change internationally.

Most people find it useful to buy at least some of the local currency in advance for airport and other on-the-spot expenses. Check, though, on currency restrictions: some countries do not allow their money out of the country, or only in very small amounts.

Some currency suppliers charge a flat rate commission and others a percentage, usually with a specified minimum (see table). But good deals available widely include American Express offices for any single currency; National Westminster for more than £175 worth of two or more currencies; and Midland for less than £175 worth of two or more currencies.

The replacement service for lost or stolen travellers' cheques makes them about the safest holiday money option, but keep a separate note of the



When in Prague... plastic is accepted but there can be drawbacks

you could end up paying commission three times over.

You can buy cheques in at least 14 different currencies in the UK. If the one you want is not available, ask which other is likely to be easiest to change.

When getting cheques, ask if the seller will buy back unused ones free of charge. Thomas Cook, American Express and most banks buy back their own without commission, but some banks charge for non-sterling cheques and building societies may not buy them back at all. American Express, the inventor of travellers' cheques, still offers one of the better deals in the UK with a 1 per cent commission charge (and no minimum) on cheques in sterling and seven other currencies. They can be cashed commission-free at Amex offices abroad.

Anyone planning to take advantage of last-minute holiday bargains should check how far in advance currency and cheques need to be ordered. The main clearing banks recommend allowing at least three to five working days for currency or non-sterling cheques.

Some branches keep stocks of the currencies requested most often. But Amex and Thomas Cook stock cash in several dozen currencies, and cheques in eight or 12 respectively. Other currencies normally can be obtained within 24 hours.

Plastic has obvious attractions for holiday spending but it does have drawbacks. Visa and MasterCard are accepted

in around 10m outlets worldwide and American Express in around 3.5m. In many parts of the world, though, cash is still the norm and you might find paying by card limits where you can eat and shop.

At the other extreme, there are countries like France where electronic payments are standard and British travellers could be caught out by advanced technology. In the UK, most retailers can process a transaction by hand if a card's magnetic strip is faulty, but this alternative might not be available over the Channel. Check your card for wear before you go and get a replacement if necessary. Because many British credit cardholders never use them to withdraw cash, they never bother to find out their pin numbers. If you are holidaying in Europe, however, a pin number could be crucial - they can be required at such places as fully-automated petrol stations. You might even need a pin number when using a card across the counter in banks and shops.

Fraud is also a serious problem, particularly in the Far East where counterfeiters use details from credit card clips or carbons to make new cards. Elizabeth Phillips, of Credit Card Research, suggests: "Rather than giving the card to the waiter at the table, you should go with him and stay with it." Insist on credit card carbons being torn up in front of you.

Using a credit card to withdraw cash can be a useful fallback option, but beware of hidden costs. As well as the commission charge - commonly 1.5 per cent with a minimum of £1.50 - remember that interest will be charged from the date of the transaction rather than that of the statement. Most credit card issuers also add 1.5 per cent to standard exchange rates when converting foreign transactions to sterling.

Frequent travellers to Europe may find a Eurocheque book and card worthwhile. These allow you to write cheques in the local currencies of 40 European countries, and use a network of 50,000 cash machines. But, for once-a-year tourists, the annual fee of around £8 charged by most banks, plus minimum fees of £1.10-£2 for each one, may make Eurocheques unattractive compared with traditional travellers' cheques.

TRAVELLERS' CHEQUES					
	Commission	Minimum	Other fees	Wait	Buy Back
Abbey National	1.5%	none	£2 handling	24 hours	No
Amex/Other	1%	none	none	free	free
Barclays £	1.5%	£3	£2.50 handling	3 days	free
other	1.5%	£3	£2.50 handling	3 days	free
First Direct £	2%	£9	4 days	free	free
other	2%	£9	4 days	free	free
Lloyds £	1%	£3	4-5 days	1% min	£3
other	1%	£3	4-5 days	1% min	£3
Midland £	1%	£3	3-5 days	free	free
other	2%	£3	3-5 days	free	free
Natwest £	1%	£4.50	2-4 days	free	free
other	2%	£4	2-4 days	free	free
Royal B. of Scotland £	1%	£3	2-3 days	0.5%	free
other	1%	£3	2-3 days	0.5%	free
Thomas Cook £	1%	£3	none	free	free
other	2%	£3	none	free	free

\* non-customers, 1%, min £3; † min £1.50

numbers of those that remain unspent. Remember, too, that such cheques can be expensive to buy (shop around first) and cash abroad. They can also incur a charge when you return those you have not used. If you are not careful,

CURRENCY					
	Commission	Min	Other fees	Wait	
Abbey National	1.5%	n/a	handling £2	24 hours	
Amex	n/a	£2 flat rate per currency	0-24 hours		
Barclays	2%	£3 (£5 non customers)	5 days		
First Direct	2%	£9 (incl delivery)	4 days		
Lloyds	2%	£3	4-5 days		
Midland	2%	£2 (any number)	3 days		
Nat West	n/a	£2.50 flat rate any number	3-4 days		
RBS	1%	£2 (under £20, flat rate £1)	48 hours		
Thomas Cook	2%	£2	0-24 hours		

## Ulster power sell-off: a bright long term prospect

AS INVESTORS contemplate buying into Northern Ireland Electricity, the utility company which goes on sale later this month, they can take heart from the knowledge that the government likes to be generous when selling off state assets.

By far the majority of privatised government stocks have outperformed the market - that is, far better than the average share - both immediately after flotation and in subsequent years.

Investing in former public sector companies does not

guarantee success, as buyers of shares in British Steel and British Aerospace can testify. Both have underperformed the FTSE-100 index by 50 per cent since their privatisations in 1988 and 1981 respectively, although in BAE's case the underperformance has occurred mainly in the last two years.

However, BAE and British Steel are the exceptions rather than the rule. More typical - and more relevant to NIE - is the performance of the electricity companies since privatisation of the sector began three years ago.

Scottish Power and Hydro-Electric, considered to be the tightest priced of all electricity stocks in the electricity privatisation process, have seen their share rise from 240p in June 1991 to 320p and 340p respectively. If they had merely kept pace with the market, their prices would be 270p.

NIE's flotation benefits from the more generous approach which the government displayed in privatising the England and Wales electricity companies. One view is that this is because the NIE flotation will face competition for funds from the sale of the third tranche of BT shares.

Northern Ireland Electricity procures electricity from the province's four generators, privatised separately last year, and transmits and supplies it to the whole of the province. The company is being offered at £362m, consisting of 184.6m shares of 200p each.

For utility investors, the most important consideration is the dividend yield, and for NIE this is high. The average historic yield for the regional electricity companies in the England and Wales is about 5.3 per cent; for NIE it is 5.8 per cent.

This, together with the City's positive view of NIE's management and prospects, means that, barring unexpected changes in the market, shares in the company are likely to rise on the first day of trading on June 21. Some analysts believe 10 per cent is possible. That does not necessarily mean that everyone should apply for shares. Investors hoping for large, quick profits will probably be disappointed. More than 800,000 people have registered an interest in the shares, and that means that some may get less than 100 shares, the minimum application.

Profits, after dealing costs, of such a small amount of shares would be virtually negligible. Investors should therefore consider the long term.

Among concerns about tying up capital for long periods will be the unpredictability of Northern Ireland politics. Government practice is to replace assets which have been damaged through terrorism but

there are no cast iron guarantees. Even if all costs of a terrorist attack were recovered, there could be long term effects on staff morale and productivity.

Analysts believe such considerations are outweighed by the positive elements offered by NIE. Chief among these is that the regulatory regime covering the province is settled until at least 1997.

In England and Wales, the regulator has said that he may refer the generators to the Mergers and Monopolies Commission, and the 12 regional electricity companies (RECs) face regulatory reviews over the next year which could limit their ability to increase profits and increase dividends.

Northern Ireland has no such uncertainty and its innovative regulatory regime means that most of the prospective income in transmission and distribution is guaranteed, regardless of whether sales go up and down. If unit sales fall, NIE is allowed to raise its prices.

This is a double edged sword. It increases potential for slack marketing in the lead-up to the competitive threat posed by British Gas which may start selling gas to households from the middle of the decade. However, it also provides the company with an even greater incentive for cutting costs. The scope is considerable given that there are six employees per thousand customers compared with the RECs' 3.6.

All this means that NIE should be able to increase dividends by about 12 per cent a year for the next four years and most analysts are advising clients to apply for shares. Some, including John Wilson, of UBS, believe it may even be worth buying shares in the market early on the first day of trading, before prices rise significantly.

"The company makes an excellent long term investment and provides a good hedge against the regulatory risk of the electricity companies in England and Wales," he says. ■ *Additional research by Brian MacDonnell*

Michael Smith

## DID YOU MAKE 171% IN 5 MONTHS?

The January issue of Techninvest gave six nap selections for 1993. Five months later, each was making big profits for Techninvest subscribers.

	Mid-price (p) at 1-1-93	Gain 31-5-93	%
Avesco	191	85	335.9
Electron House	43	80	86.0
Lasar-Scan	16	48	200.0
LBMS	127	300	136.2
Northerner	20	60	200.0
Tadpole	166	286	72.3

Average Gain + 171.7%

Five of the above were tipped at even lower prices in previous issues of Techninvest. For instance, LBMS at 45p (April 1991) and Avesco at 10p (April 1992).

Some other technology shares have also performed spectacularly since the start of the year. Acorn Computer was 266% ahead at one point, while Gresham Telecomputing ended the first quarter up by 324%. The attractions of both were highlighted more than once by Techninvest during 1992.

Published monthly since 1984, Techninvest is the only investment newsletter dedicated to technology shares on the London market. Each issue is exclusively mailed first-class to subscribers.

For a FREE sample copy and details of special introductory offer, (first-time enquiries only, send name and address (block capitals please) to:

TECHINVEST (FT/56) MILL HOUSE, MILLBROOK, NAAS, CO. KILDARE, IRELAND

## FINANCIAL TIMES TELEVISION SPECIAL OFFER

### Make Sure You're In The Pink For The BT3 Share Offer



If you're thinking of applying for shares in the BT3 Share Offer, put yourself fully in the picture with a special video from Financial Times Television and ShareFinder.

For the first time ever in a privatisation you have the chance to get to grips with all the issues and hear what the experts have to say through the compelling medium of video. Sit back and watch leading journalists, City analysts and commentators dissect and discuss:

- The performance of BT as a business and as an investment.
- How competition, not just from Mercury but American giant AT & T and cable TV operators, could impact on BT.
- The profit and dividend outlook for BT shareholders.
- An up to date assessment of what demand for the BT shares is likely to be. Will it be heavily oversubscribed and if so, what are the chances of a discount or a premium?
- The UK Public Offer and Retail Tender explained. How to use them and PEPs to increase the chances of getting a worthwhile share allocation.

If you're thinking of spending £2000 on applying for BT shares, this video at just £29.95 is an investment you really ought to consider.

To order your video simply call:

021 200 4690

Payment by credit card. ShareFinder Limited is a Member of the Financial Times Group.



SHARE OFFER

To register for a prospectus call FREEPHONE 0500 500 290

CARPETRIGHT plc

This is not an invitation to apply for shares. Applications should only be made on the basis of the prospectus. If you need advice, you should consult a professional adviser. This advertisement has been approved by County NatWest Limited, a member of the Securities and Futures Authority Limited.

## Look no further for a first class return.



With our new Postal 30 Account, a higher return is just around the corner. That's because Postal 30 is available exclusively by post rather than through our branches and agents.

And the rate that you see is the rate you earn. You'll find there are no catches or complicated bonus penalties.

UP TO 8.05% gross	ANNUAL INTEREST	
	Amount you invest	% Gross % Net
	£50,000+	8.05 6.04
	£25,000+	7.80 5.85
	£10,000+	7.55 5.66
	£2,500+	7.30 5.48

You only need give thirty days notice to make penalty free withdrawals.

For full details, call us free between 9 and 5, Monday to Saturday (you can leave a message at other times). 0500 50 5000

Or invest with the coupon, with any amount from £2,500. Post haste.

### Postal 30 Account



Northern Rock Building Society, Principal Office: Northern Rock House, Gosforth, Newcastle upon Tyne NE3 4PL. Member of the Building Society Association and the Building Societies Investor Protection Scheme. Assets secured by floating.

For a faster return, please post first class to: Jane Shaw, Direct Business, Northern Rock House, Gosforth, Newcastle upon Tyne NE3 4PL. I/we enclose cheque to be invested in The Postal 30 Account for £ (minimum £2,500, maximum balance £500,000 including joint accounts) payable to the account holder's name/s and crossed 'A/c Payee Only'.

☐ Interest to be paid annually into my bank/Northern Rock Current Account/Investment account. (Delete where applicable.) Full name/s

☐ I/we require an "Interest with No Tax Deducted" application form. Address

☐ I/we require an "Interest with No Tax Deducted" application form. Postcode

☐ I/we require an "Interest with No Tax Deducted" application form. Day phone

☐ I/we require an "Interest with No Tax Deducted" application form. Signature/s

☐ I/we require an "Interest with No Tax Deducted" application form. Date

☐ I/we require an "Interest with No Tax Deducted" application form. (Tick appropriate box.) Please confirm receipt of my cheque, and send my Postal 30 Account application form.



## FINANCE AND THE FAMILY

## Doing the Splits

# Recession puts a damper on M & G's strategy

Recovery stocks are key to success, reports Philip Coggan

THE M & G Income investment trust was launched with considerable fanfare, including a TV advertising campaign, back in October 1991. The issue was an enormous success; the £246m it raised made it the biggest trust launch in history.

Eighteen months later, investors may well be wondering if the fuss was worth it. The packaged shares, which were bought by around 50 per cent of investors, stand at just 103p - only 3 per cent above the offer price.

Manager John Allard admits that, with hindsight, the fund was launched too early. "We didn't think the recession was going to last as long as it did," he says.

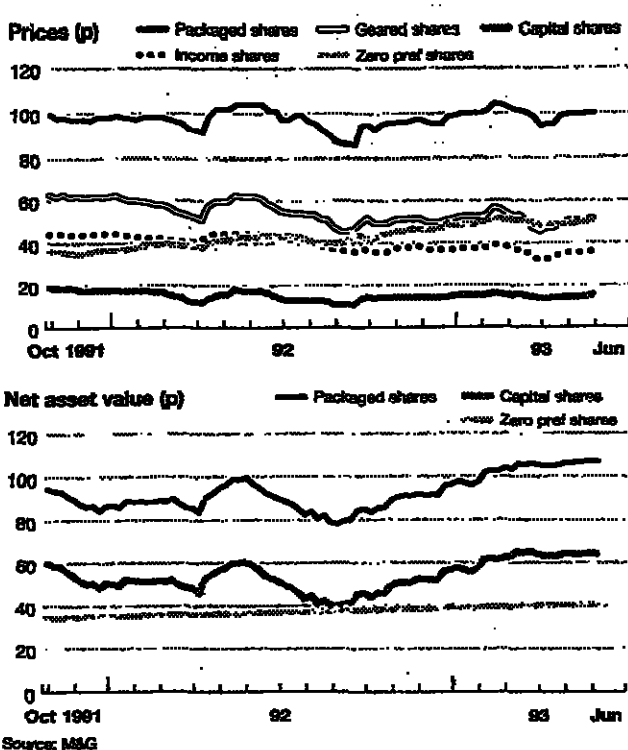
M & G's investment philosophy is built round the contrarian approach. Buy shares when they have a high yield, or their depressed prices make them recovery stocks, and eventually they will rebound to your profit.

That theory has worked very well in the long run, but it is a high-risk strategy in the middle of a recession. At such times, corporate profits turn out to be worse than the market expects.

The income trust was a prime example of the M & G philosophy in action. Aimed at giving investors a 6.6 per cent yield (tax-free when held in personal equity plan form), the trust needed a portfolio yield of 7.5 per cent-plus. That, inevitably, involved buying some high-risk stocks.

What did not help is that, shortly after the trust's launch, the market decided recovery was not under way and, furthermore, feared a Labour election victory. Investors moved into the perceived safety of growth stocks, such as Glaxo and Wellcome, and away from the high-yielders. M & G Income's portfolio suffered accordingly.

## M&G Income investment trust



But Black Wednesday, and the subsequent declines in interest rates, have helped. Before the pound's exit from the ERM, the trust's net asset value fell 17.8 per cent while the All-Share fell by 9.3 per cent. After devaluation, though, the trust's assets have risen 34.5 per cent while the All-Share has risen only 24.2 per cent.

Investors have not seen the full benefit of this recent recovery since the price of the packaged units has recently dropped from a premium to net asset value to a discount. M & G blames the Budget's effect on the popularity of its income shares for the switch.

Allard says the yield on the portfolio is now down to 5.5 per cent, and, during the year, he will be selling some of the suc-

cessful low-yielding stocks and moving into the high-yield end of the market. The trust has a 6 per cent holding of gilts which helps to provide income.

The 10 largest stocks in the portfolio are BAT, British Gas, General Accident, GEC, GKN, Standard Chartered, Scottish Power, Royal Bank of Scotland, Morgan Crucible and NatWest. Five different types of security are traded. The zero dividend preference shares receive no income but have the first claim on the assets of the trust. Shareholders will be entitled to be repaid at 102.46p in November 2001.

Compared with the original net asset value of 34.5p, this is equivalent to a gross redemption yield of 11.5 per cent per annum. Philip Middleton, investment trust analyst at

Smith New Court, says the zeros are among the riskier in the sector, since the assets of the trust are now only just enough to cover full repayment. The present gross redemption yield, at 50p, is around 3.7 per cent.

The income shares are entitled to all the revenue of the trust, but will be repaid only at 0.1p per share on wind-up in 2001. They resemble an annuity in that investors receive a high income at the expense of capital loss.

In the first year of the trust, the gross dividend was 6.55p, equal to the prospectus forecast. The trust has indicated it expects to be able to maintain the net dividend this year, helped by revenue reserves from last year.

But the Budget change in advance corporation tax, which reduced the tax credit on dividends, means that the gross dividend will fall to around 6.14p. On that basis, the shares, at 36p, are on a flat yield of 17 per cent.

Since their capital value dwindles to virtually zero by 2001, however, Middleton says the gross redemption yield is lower, at 9.8 per cent, assuming nil dividend growth. He feels that these shares are on the cheap side since they offer a good spread over the equivalent gilts, plus some protection against a renewal of inflation, which would lead to an increase in dividend income.

The capital shares receive no income but can claim all the assets of the trust once the zero dividend and income shares have been repaid. Middleton says the trust's assets will need to grow at 1.5 per cent a year for investors to get back the present share price of 17p.

If the assets grow at 5 per cent a year, the return to investors would be 15 per cent, although he points out the high portfolio yield will restrict the prospects for capital

growth. He feels the capital shares are trading above their fair value.

In addition to the three individual classes of share, the trust also created two combinations of securities. The packaged units consist of one zero dividend preference, one income and one capital share and, to most intents and purposes, are just like ordinary shares in a conventional investment trust. Those private investors who bought into the trust via the personal equity plan will have received packaged units.

There are also geared ordinary units which consist of one income and one capital share. These accordingly receive a high level of income (the present yield is 11.6 per cent) but have the chance of capital growth.

Middleton says it is important that investors do not get too caught up in the mathematical calculations. The key to the success of the trust is that recovery stocks continue their recent outperformance.

**■ Key facts**  
The trust has assets of £263.5m and is due to be wound up in 2001. The manager's annual fee is 0.75 per cent of assets minus current liabilities; half this fee is charged to income and half to capital.

**■ Board**  
The chairman is Paddy Linker, deputy chairman and group managing director of M & G. Other M & G staff on the board are John Allard and Anthony Shearer. Outside directors are Bryan Hines, former general manager of ICI's insurance and investments group; Donald Macpherson, deputy chairman of County NatWest; and Neil Shaw, chairman of Tate & Lyle.

**■ Savings plan and Pep details**  
The Pep was designed specifically for the trust's launch and is no longer on offer, although investors could put trust shares into a self-select Pep. There is no savings scheme.

## Flight plan is filed

GUINNESS Flight is the latest unit trust company to launch a combined bond and equity fund attached to a personal equity plan. The attraction of such funds is that they can offer a higher yield than many conventional Peps (5.7 per cent after charges in Guinness Flight's case) without taking high risks.

Provided the new fund, called the Equity & Bond Income trust, holds more than 50 per cent in equities, it will qualify for Pep status. In fact, the aim is to hold around 60 per cent in equities.

Investors do not get something for nothing, of course; the higher yield comes at the expense of the prospects for capital growth. But with base rates at 6 per cent, many investors might well be attracted by a 5.7 per cent tax-free yield, paid quarterly.

The charges on the fund depend on whether you take the Pep option. If you do, the initial charge is 2 per cent (reduced to 1.5 per cent until the offer period ends on June 25); if you want only the unit trust, the charge is 5 per cent (cut to 3.5 per cent during the offer period). The annual management fee is 1 per cent on the unit trust, with an additional 0.25 per cent on the Pep.

There are also exit fees for Pep investors if they want to withdraw money in the early years: 3 per cent in year one, 2 per cent in year two and 1 per cent in year three. The minimum investment in the trust is £1,000, for Pep investors, it is £3,000, or £100 a month.

How does the fund compare with three similar products launched earlier this year from Cazenove, Fidelity and M & G? The charging structure is very similar to Fidelity's, as is the yield (Fidelity pays around 5.8 per cent at present), but Fidelity offers the facility to pay income monthly.

Cazenove's Bond & Utility fund offers a higher yield - 7 per cent - caused, in part, by its lower charges. Some investors, however, may like the wider spread of equities on offer from Guinness Flight. Its fund invests in a wide range of high-yielding stocks instead of limiting itself to utilities such as BT or the water stocks.

The M & G Managed Income fund yields only 4.13 per cent and has higher initial and annual charges. But it has a higher proportion of equities than any of the other funds and offers better scope for capital growth.

P.C.

## Annuity gamble

MOST PEOPLE who retire choose a flat rate annuity, since these tend to pay the highest immediate income. But, in fact, there is a wide variety of annuities.

These include some which rise in line with inflation and others where the returns are linked to the stock market.

The table shows both conventional annuities and those which offer income that increases by 3 per cent a year. As you can see, the initial returns on offer on the level annuity are around a third higher.

An investor who picked the top escalating rate from Royal Life would take 11 years to catch up with the £2,720 on offer from the top-level rate. As with much else, therefore, the choice represents a gamble - in this case, on the life expectancy of the investor.

The figures were provided by the Annuity Bureau Limited, 11-12 Hanover Square, London W1R 9FD, tel. 01-462 1485.

### ANNUITY RATES AS OF JUNE 2

Level annuity, gross annual income, spouse's benefit 100 per cent

Age	55/55	60/60	65/65	70/70
1 Royal Life	£2,720.00	£2,561.28	£2,402.56	£2,243.84
2 Prudential	£2,561.28	£2,402.56	£2,243.84	£2,085.12
3 London Life	£2,402.56	£2,243.84	£2,085.12	£1,926.40

Level annuity, gross annual income, Spouse's benefit 50 per cent

Age	55/55	60/60	65/65	70/70
1 Royal Life	£2,561.28	£2,402.56	£2,243.84	£2,085.12
2 Equitable Life	£2,402.56	£2,243.84	£2,085.12	£1,926.40
3 Prudential	£2,243.84	£2,085.12	£1,926.40	£1,767.68

Annuity with 3 per cent escalation, gross annual income, Spouse's benefit 100 per cent

Age	55/55	60/60	65/65	70/70
1 Royal Life	£2,561.28	£2,402.56	£2,243.84	£2,085.12
2 Prudential	£2,402.56	£2,243.84	£2,085.12	£1,926.40
3 London Life	£2,243.84	£2,085.12	£1,926.40	£1,767.68

Annuity with 3 per cent escalation, Gross annual income, Spouse's benefit 50 per cent

Age	55/55	60/60	65/65	70/70
1 Royal Life	£2,561.28	£2,402.56	£2,243.84	£2,085.12
2 Prudential	£2,402.56	£2,243.84	£2,085.12	£1,926.40
3 London Life	£2,243.84	£2,085.12	£1,926.40	£1,767.68

All payments are monthly in advance. Figures are based on annuities without a guarantee. Purchase price £100,000.

## No double tax relief on these dividends

FULLY-FRANKED dividends from Australia are subject to a 39 per cent Australian imputation tax, and I believe an Australian resident receives the net amount without paying further taxes. My bank subjects the net amount received here in the UK to full UK taxes, without any double tax relief.

Is this procedure correct, since dividends are then doubly taxed?

The new Australian tax system, where there is an imputation credit attached to each dividend, means there is no further tax payable for Australian residents. Shareholders who are not resident in Australia normally receive dividends subject to a withholding tax of 15 per cent deducted at source on the gross amount of the dividend. However, dividends received in franked form are free from dividend withholding tax but no refund of the imputation credit is available. It follows that, as the imputation credit is not a tax as such, the dividends are not taxed in Australia and are, therefore, fully taxable in the UK.

### B&B doesn't apply to land

MY WIFE and I own a site that could be given planning permission for development. If that happens, we could get a £40,000 capital gain.

We also own a commercial property that we bought for £100,000 but is now worth only about £80,000. Is there any reason why we should not bed and breakfast the commercial property at £80,000 to crystallise the loss, and use that loss to offset the potential capital gain on the development site?

Alternatively, rather than bed and breakfasting, is there any reason why I should not transfer the commercial property into my name at £80,000 to crystallise the loss and avoid the capital gains tax?

Unfortunately, you seem to have missed our article about bed and breakfasting on March 7 last year. The closing paragraphs would have warned you that land cannot be bed and breakfasted.

It is worthwhile to re-state the basic principles of traditional bed and breakfast for listed shares...

\* There must not be any agreement on day one (the day of the "bed" sale) that a "breakfast" purchase will take place on day two.

\* Full beneficial ownership must pass to the counter-party on day one.

These basic principles are readily satisfied on the stock exchange, of course, but they make it virtually impossible to do an effective B&B outside the exchange.

Transferring property from the joint ownership of husband and wife (either as joint tenants or as tenants-in-common) to the sole ownership of one spouse does not produce an allowable loss (or a chargeable gain), because of section 83 of the Taxation of Chargeable Gains Act 1992.

The rules are outlined in the free pamphlet CGT15 (Capital gains tax: a guide for married couples).

Furthermore, a simple sale of the commercial property would not produce a usable allowable loss if it was sold to a "connected person", as defined in section 286 of the TCGA (including a parent, parent-in-law, sibling or sibling-in-law), because of section 18(3). You should consult your solicitor on the possible application of section 776 of the Income and Corporation Taxes Act 1988 (Transactions in land).

## Q&A

### BRIEFCASE

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All enquiries will be answered by post as soon as possible.

taxation of capital gains) to the sale of the development site. If this section is applied - and it looks likely, from the bare facts given - then there could be no offset of a CGT allowable loss in any event.

### HIGHEST RATES FOR YOUR MONEY

Account	Telephone	Notice/term	Minimum deposit	Rate %	Int. paid
<b>INSTANT ACCESS A/cs</b>					
Co-operative Bank	Pathfinder	0345 262000	Instant	£100	5.84% p.a.
Birmingham Midshires BS	First Class	0800 302000	Postal	£500	6.75% p.a.
Coventry BS	Extra Interest	0203 252277	Instant	£1,000	7.00% p.a.
North of England BS	Edinburgh	091 510 0049	Postal	£25,000	7.50% p.a.

<b>NOTICE A/cs and BONDS</b>					
Bradford & Bingley BS	Direct Notice	0345 247247	30 Day	£1,000	7.00% p.a.
Northern Rock BS	Postal 30	0500 505000	30 Day	£2,500	7.30% p.a.
Cheltenham BS	Premier VII	0800 272505	30.9.95	£10,000	8.00% p.a.
Charlton & District BS	Asley Share	0257 273773	6 Mth	£75,000	8.55% p.a.

<b>MONTHLY INTEREST</b>					
Coventry BS	Extra Interest	0203 252277	Instant	£1,000	7.35% p.a.
Britannia BS	Capital Trust	0800 654466	Postal	£5,000	6.55% p.a.
Yorkshire BS	First Class Return	0800 378836	Postal	£25,000	7.13% p.a.
Cheltenham BS	Premier VII	0800 272505	30.9.95	£10,000	8.00% p.a.

<b>TESSAs (Tax Free)</b>					
Hindley & Rugby BS		0455 261234	5 Year	£25	8.05% p.a.
Dunfermline BS		0383 721621	5 Year	£3,000	8.00% p.a.
National Counties BS		0372 739702	5 Year	£3,000	7.90% p.a.
Durley BS		0384 251414	5 Year	£10	7.87% p.a.

<b>HIGH INTEREST CHEQUE A/cs (Gross)</b>					
Caledonian Bank	HICA	031 556 8235	Instant	£1	5.50% p.a.
Cheltenham BS	Classic Postal	0800 717515	Instant	£2,500	6.10% p.a.
Northern Rock	Current	0800 591500	Instant	£25,000	7.07% p.a.

<b>OFFSHORE ACCOUNTS (Gross)</b>					
Woolwich Guernsey BS	Woolwich Int'l	0481 715735	Instant	£500	6.25% p.a.
Confederation Bank Jersey	Flexible Invest	0534 608060	90 Day	£10,000	6.75% p.a.
Citywise (BVI) Ltd	90 Day Notice	0624 883432	90 Day	£50,000	8.00% p.a.
Bristol & West Int'l Bank	Int'l Premier	0800 533222	6 Mth	£25,000	6.55% p.a.

<b>GUARANTEED INCOME BONDS (Net)</b>					
Consolidated Life FN		081 940 8343	1 Year	£2,000	5.00% p.a.
Property Life FN		0800 521546	2 Year	£15,000	5.80% p.a.
Consolidated Life FN		081 940 8343	3 Year	£2,000	6.35% p.a.
Financial Assurance FN		081 367 6000	4 Year	£50,000	6.70% p.a.
General Portfolio FN		0279 482538	5 Year	£50,000	7.00% p.a.

<b>NATIONAL SAVINGS A/cs &amp; BONDS (Gross)</b>					
Investment A/C			1 Month	£20	6.25% p.a.
Income Bonds			3 Month	£2,000	7.00% p.a.
Capital Bonds G			5 Year	£100	7.75% p.a.
First Option Bond			12 Month	£1,000	8.34% p.a.

<b>MAT SAVINGS CERTIFICATES (Tax Free)</b>					
40th Issue			5 Year	£100	5.75% p.a.
8th Index Linked			5 Year	£100	3.25% p.a.
Children's Bond E			5 Year	£25	7.85% p.a.

This table covers major banks and Building Societies only. All rates (except Guaranteed Income Bonds) are shown Gross. Fixed = Fixed Rate (All other rates are variable). OM = Interest paid on maturity. Net Rate. B = Bond. + = Initial deposit of £5,000 or £100 per month required. \* = All withdrawals subject to 10 days loss of interest. Rate fixed until 31.7.93. \$ = Rate guaranteed until 1.7.93. \$ = 10% bonus of interest earned p.a. s.v.m. \* = After 6 months qualifying period. Source: MONEYFACTS, The Monthly Guide to Investment and Mortgage Rates, Laundry Lane, North Walsham, Norfolk, NR26 0BD. Readers can obtain a complimentary copy by phoning 0882 500677.

## STILL PAYING BUSINESS BANK CHARGES?

Eliminate bank charges of up to £1,380 a year. With our High Interest Business Cheque Account there are no quarterly charges and no charge for up to 90 credits, 90 debits and 10 electronic same-day transfers each quarter. This represents a savings of £345-80 per quarter - or over £1,380 a year - on typical high street bank charges.

Unlike most business accounts you earn high interest, and a cheque book provides instant access to funds. Interest is paid to companies gross, to sole traders and partnerships net of basic rate tax. (Interest rates may vary and no interest is paid on deposits of £2,000 and below.)

Free banking is possible, subject to the account's terms and conditions. The minimum initial deposit is £2,000. For full details call:

**071-626 0879**  
(24 hours telephone or 071-626 9111 Monday to Friday between 9am-5pm)

**ARRED PRINCE BANK**  
97-101 Cannon Street, London EC4N 3AD

GUINNESS FLIGHT

## OUTSTANDING RETURNS

# £10k RETURNED £70k. SHOULDN'T YOU RETURN THE COUPON?

Unlike equities, where all markets can decline simultaneously, a fall in one currency will be accompanied by a rise in another. To take advantage of this and produce outstanding returns requires skill in timing and judgement to identify currencies in upward trends. Our performance speaks for itself.

Since its launch in May 1980 our Managed Currency Fund has produced a return of 616% in Sterling terms (379% in US\$ terms) and over the last five years 76.6% in Sterling terms (50.7% in US\$ terms).

As the originators of the concept of managed currency funds and the market leaders in this field (with US \$156 million under management), we have considerable experience

in making the results of this intensive economic, monetary and political analysis work to the maximum advantage of our funds.

Our funds offer the opportunity for greater potential gains than those available from single currency funds and they provide a lower risk alternative to global equity and bond funds.

Investors can choose between the roll-up International Accumulation Fund version of our Managed Currency Fund where gains are reinvested, or the Global Strategy Fund version which distributes income.

With returns like ours, you should return the coupon today or call Jamie Kilpatrick on 0481 712176.

### GUINNESS FLIGHT MANAGED CURRENCY FUNDS

Return to Guinness Flight Fund Managers (Guinness) Limited, PO Box 250, St Peter Port, Guernsey, Channel Islands. Please send me further information on the International Accumulation Managed Currency Fund □ Global Strategy Managed Currency Fund □

TITLE \_\_\_\_\_ INITIALS \_\_\_\_\_ NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_

POSTCODE \_\_\_\_\_

\* Source: Manager's published prices for the International Accumulation Managed Currency Fund. Gross income reinvested, offer to bid basis from B.L.E.R. using best calculated price for each year. 1993 calculation on at 1.6.93. Five year performance 1.6.88 - 1.6.93. Past performance is not necessarily a guide to the future. The value of this investment and the income arising from it may fall as well as rise and is not guaranteed. This advertisement has been issued with the approval of Guinness Flight Global Asset Management Limited, a member of BSE and London and investment adviser to Guinness Flight International Accumulation Fund Limited and Guinness Flight Global Strategy Fund Limited - both Guernsey AI Authorised Collective Investment Schemes and UK Overseas Collective Investment Schemes under Section 87 of the UK Financial Services Act 1986.



MINDING YOUR OWN BUSINESS

# Books that shouldn't be taken as read

Nick Garnett visits a company where fakery flourishes

IT WAS THE big bookcase Jonathan Eaton had up for sale at the antiques fair in London's Olympia that sparked off the idea for a new business.

"It needed 2,500 books to fill it so we had that many dummies made up to help present it. I asked the buyer whether he also wanted to purchase all those book spines and he said 'Well, of course I want them. I haven't any time to read'."

That was 1990. The Dummy Book Company, set up shortly after the antiques fair, generated sales last year of £380,000. From its workshop in a converted Gloucestershire cow shed, the tiny business supplies not only false tomes for bookcases but also a range of items based on this curious use of fakery. Boxes for videos which look like ageing copies of *Fly Fishing* by J.R. Hartley, CD holders simulating Gardiner's *History Of England*, an icebucket camouflaged as the *Waverley Novels*, *Rules Of Football* is made up as a paperweight crowned with a rugby ball. Other paperweights come with miniature models of baseball bats and mits and golf clubs. "I know it sounds a crazy business, but it really took off."

Eaton, who abandoned his life as an antiques dealer to concentrate on running the Dummy Book Company, vividly remembers those first 2,500 dummy book ends.

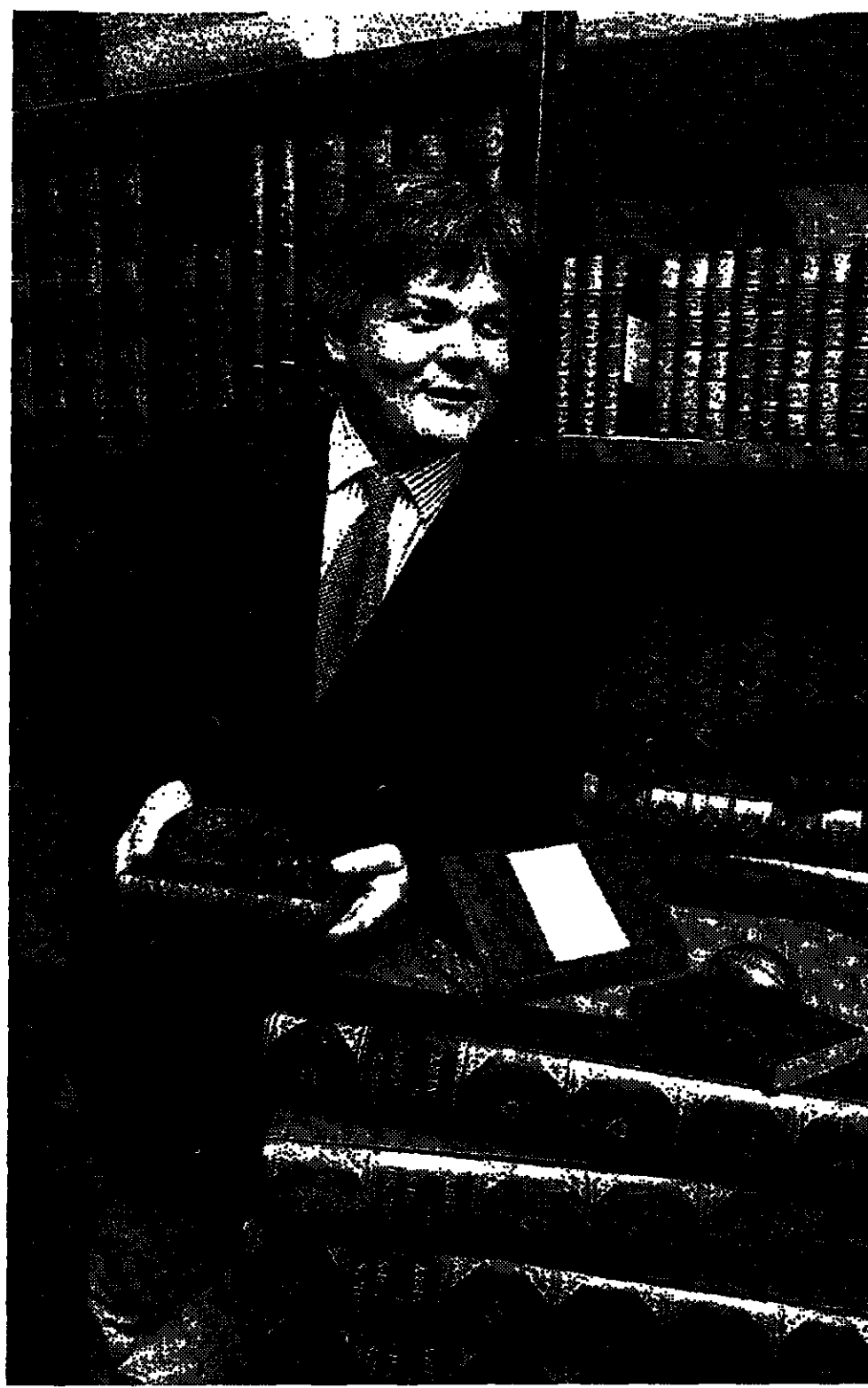
"We thought about buying them completed but the ones you could buy then just looked like *Readers Digest* volumes with no age. We went to a local company, History Craft in Cirencester, and it supplied the basic resin dummies. My wife and I painted them all on our kitchen table. We nearly had a divorce doing it."

The Dummy Book Company, which employs 11, now does things a bit more professionally. It still buys the chalk-based resin blanks from History Craft. These book spines are made from moulds taken directly from real books. A small team at the Dummy Book Company converts the white resin into simulated leather by staining, then uses waxing and polishing techniques to produce antiquing followed by gilding the letters.

Eaton, aged 38, and his wife Anne-Marie started the dummy book business with £500 of their own money and maximum loan arrangements of £85,000 from the Royal Bank of

*'I know it sounds a crazy business, but it really took off,' says Eaton, who gave up his job as an antiques dealer*

and packaging, are the equivalent of a half of turnover and labour 30 per cent. The company's pre-tax profit last year was £28,000. Selling in the US caused some headaches. "We originally took on two distributors there but there was some overlapping and it was a mistake." The company now has one US distributor selling through 65 agents.



You can't judge a book by the cover: Jonathan Eaton owner of Dummy Book Company with some of his wares

As with so much of manufacturing it is the retailer that takes the biggest slice. A so-called compact disc "hide" retails for about £14.50 and a book paperweight decorated with resin dog at £45. But this includes a retailer's mark up of usually 100 per cent and VAT.

Eaton has made product mistakes. "We've done about 8,000 of the paperweights with the dog lying on the book but the one with the cat didn't work. The icebucket retailing at £120 was not successful." He considered making bedside condom holders using Dickens' *Hard Times* as the dummy, but thought it too risqué.

"Our biggest problem though is cashflow," Eaton says. Dispatching £40,000 of merchandise a month and carrying stocks creates a serious financial and management burden. Eaton says the Dummy Book Company is trying this year to put its house in order. "Cashflow went up the chute. We have been doing too many gift shows. We are trying now to control stocks better." The bank recently requested regular cashflow statements and profits will fall this year. Sea-

mus Hawthorne, who joined the company at its start, has been made a director at the age of 21 with a 10 per cent share of the venture. Eaton though has toyed with the idea of attracting investors.

Does Eaton use his compa-

ny's dummy *Aesop's Fables* or *The Ruins of Elinore* at his own home? "Funnily enough, I've got real books there."

**The Dummy Book Company, 1 Cow Shed, Upton Grove, Tetbury, Glos GL8 8LR. Tel: 0666-503376**

## Computing

# Accounts package that remembers every transaction

BEING pugilists dream of finding a good young 'un to take under their wing and guide to glory and a crack at the title. Software reviewers feel the same way. As they work their way through piles of new packages sent in by young hopefuls, there is always the excitement of perhaps discovering an unknown who is going to knock the big boys for six.

The UK accounting software industry needs some new blood. Recently there has been an invasion of heavyweight accounting packages from other countries: Platinum from the US, Scala from Sweden, Exact from the Netherlands, SAP from Germany.

So note the name of a British accounts package which you will be hearing much more of in the years to come - *Exchequer*. *Exchequer* is designed and sold by a company of the same name in Bournemouth, Dorset. It also sells indirectly through a small number of dealers.

At the top level *Exchequer Professional* costs around £3,500 for a networked, multi-currency version. For this you get sales, purchase and nominal ledgers, cashbook, costing, invoicing and stock control, bill of materials, and basic sales and purchase order processing. This version competes with products such as Pegasus Senior, Sage Sovereign, Tetra 2000, Multisoft Prestige.

For £495 you get single currency ledgers, invoicing and stock control and 5995 will buy you stock control and order processing.

"This list of modules is no different from any other package, so what is so special about *Exchequer*? Basically, most accounts packages were designed in early and mid-80s, when memory and disk space,

were limited they aimed at efficient processing of transactions. For example, sales invoices are entered on to the sales ledger and analysed to the nominal ledger. At the end of the day the details of the invoices are printed out in a report (the "audit trail") and then wiped off the system. The nominal balances are summar-

ised at the end of the month and posted from the sales ledger into the nominal ledger. Packages differ in what they do but the basic idea is that individual transactions are entered into the computer at the lowest level, then passed on in summary form at a higher level until data from all modules is brought together in the nominal ledger.

The resulting small data files may be fine from a processing point of view, but are poor at providing management information. Managers want to look at a total balance, then work their way back (in the jargon, "drill down") to the original transactions. Traditional accounts packages only store these original transactions in summary form. To find out the precise details you have to rummage around in dusty old boxes full of printouts.

What is the point of having a computer if it does not store all the data you have keyed in? *Exchequer* is one of a tiny group of packages I have seen recently which does the job properly. All transactions are retained in full detail and can be accessed at any time. If you are in the nominal ledger and

are looking at, say, the balance on the advertising account, you can immediately call up all the individual purchase invoices which make up the balance and see them in full, exactly as they were originally posted on to the computer.

From this basic design a wealth of benefits flow. Pressing an F key in *Exchequer* brings you instant access to any customer, purchase, nominal or stock account. In both nominal and stock you can "drill down" from the highest level (eg "sales - computer hardware") to all your individual sales invoices for computer hardware in just three or four keystrokes.

All invoices on a supplier's or customer's account are maintained on the account ledger and can be viewed in detail at any time. To generate a credit note, simply retrieve the offending invoice and reverse it automatically. To see how a past invoice was paid, just press M for match and the payment details are displayed.

There are many more features. *Exchequer* is an astonishing package. Because it operates under a new set of rules you will have to put some effort in to learn it. The ability to jump around all over the place can mean you lose your bearings. When I first worked on *Exchequer* I was totally confused trying to work out what was going on, but after a week or two I was able to hot-key my way around the system with the best of them.

*Exchequer* is a young product. It does not offer as wide a set of modules as the majors. Order processing, for example, is limited. Countrywide support is not yet available. But this is one of those rare packages that takes accounting software into a new era.

■ *Exchequer Software: telephone 0202-288008*

*David Carter on a program which puts the facts at your fingertips*

## BUSINESS SOFTWARE

To advertise in this section please telephone 071-407 5752 or write to Alison Pinn at the Financial Times, One Southwark Bridge, London SE1 9HL or Fax 071 873 3065

### ACT: THE SALES MANAGEMENT SYSTEM

• Tracks all your Client Contact  
• Prompts all your actions  
• Has full WP, Modern, Fax support  
• DOS, WINDOWS, NETWORKS, MAC, HP/PSLX  
• Training, Consultancy, Support, Product  
• Only for those wishing to get and stay ahead

ASK FOR THE DEMO DISC  
Brown and Company  
Tel: 0282 489444  
Fax: 0282 489333

### COMPUTER AIDED SALES & MARKETING

Breakthrough, a comprehensive sales & marketing productivity system. Handles, contacts, prospects, clients, dealers products & services. Produces form letters, mailings, sales action lists. Report generator included. Manage sources, campaigns, costing, response evaluation, notes, telephone scripts & much more! DEMO DISC available. SOLE, FREEPOST, London M10 1BR Tel: 081-883-8188 Fax: 081-883-9492

### 1-2-3 TAKEOVER

Analyse the financial health of any company. Demonstrate its commercial and financial strengths. Develop an acquisition. Price 130 (includes VAT), IBM/compatibles. Clear manual. Disk size? 30 days money-back guarantee. 24 hour telephone 0542 252 191. Personal Publishing Suite Limited, The Vanguard Suite, 100 Broadwater Road, Broadwater, Essex, SS16 5JA. Tel: (0462) 250977, Fax: (0462) 250980.

### NEW! FAIRSHARES 6.61

Stockmarket analysis with full portfolio management facilities, superb graphics, technical analysis, a market scanner and a PEG ratio search. From £95. Update via Datastream. Disk from £250/month or go online via modem for only £250/month. Free information pack with demo disk available. Fairshares Software Ltd, 100 Broadwater Road, Broadwater, Essex, SS16 5JA. Tel: 0462 250977, Fax: 0462 250980.

### ROWEN TECHNICAL ANALYSIS WORKSHOPS (TM)

25 years experience is passed on to you. Find out which indicators work best and why. Easy to understand presentation. Leave with A UNIQUE TRADING SYSTEM that you can confidently use immediately. Benefit from our 5 years experience in practical workshop training. 5 graded workshops to choose from. Comprehensive material. Tel: 0952 222048

### SHARETEXT FOR WINDOWS 3

Scan Teletext whilst using your word processor, spread sheet etc. Features: Comprehensive Searching, Sector analysis, Moves, Moving averages, Graphs, Portfolio+ price alerts, Automatic news gathering/updates etc. Price £150 + VAT. Call for free demo disk. Tel: 091 502 5000

### INDEXIA II only £425

TECHNICAL ANALYSIS The renowned INDEXIA II Technical Analysis software at this new low price. Includes Indexia Filters, Highlight Scanning, Beta Risk Analysis, Automatic Charting, Portfolio Management and free database of 150 shares, futures, bonds etc. Update through Market Origin or Teletext. Price: £425 + vat. INDEXIA II, PO Box 345, Bournemouth BH1 3YU. Tel: 0442 878915, Fax: 0442 878934

### XBASE PROGRAMMING

Develop database applications using C++, Pascal or dBASE. • Multiple DDBMS (Novell) • Secure databases (encrypted) • SQL/SQL compatible if requested • Transaction logging & rollback • C++/Pascal running out of memory? • dBASE running out of space? Want to turn your PDBs into EXCEL? Call the XBASE expert now. Softgold Ltd, Tel: 0282-572888 Fax: 0282-572888

### Why do MPI Ltd, Cowie

Interleaving and Aquascutum use Cashflow? "Nightmares of losing 800 cheques per week solved overnight." "50% cost savings." "Convenience and security." Could we solve your nightmares and save you money? Call us on 087-850 5491 to arrange a demonstration of Cashflow. The easy way to SACCS.

### SELECT 400

RETAIL BANKING SYSTEM Robust Networked Banking Selected by three of the largest UK Banking Societies Complete Functionality Multi-Currency Multi-Lingual Correspondence On-line Signature Verification a totally modern, economic platform for I.T. efficiency John Oswald Central Software Tel: 0264 634677 Fax: 0264 637762 BIR Netherham FCI Select 400 Tel: 0763 244288 Fax: 0763 244548

### UNIVERSAL EXOTICS OPTIONS, SWAP, YIELD, ZERO-CURVE ADD-INS

Additional spreadsheet functions for Capital Market Professionals using Lotus 1-2-3 and Excel (Windows, OS/2, Mac, European and American style options and warrants on bonds, commodities, currencies, futures and shares. Free 30 day trial. Financial Systems Software 2 London Wall Buildings London EC2M 8PP Tel: +44 71-428 4200 Fax: +44 71-505 2718

### THE PLANALYST

(for directors/auditors) Analyses and projects company accounts. Easy to use. No manual needed. Quick input. Great for going concern and audit reviews, business planning, bank manager. Shows 20 years on the screen and reports. Comprehensive ratio analysis, including liquidity, solvency, productivity ratings. £29.95 inc VAT does one company on annual income. See how available. 21 day money-back guarantee. C.F.M. Arlborough House, South Mims, Herts EN9 1OT Tel: 0767 626588 Fax: 0767 648572

## MINDING YOUR OWN BUSINESS

# Save On Software Latest Releases from just £40.00...

WINDOWS SOFTWARE  
Word 2, Wordperfect, Framemaker, CorelDraw, PageMaker, AutoCAD, Lotus, etc.  
Amiga 3, CAD 12, MATHCAD, Ventura 4, QuarkXPress, PageMaker 4, CorelDraw 3, etc.  
MS Works, WinFax Pro 3, PCTOOLS 8, Norton Utilities, Vortex Desktop, WINDOWS 3.1, DOS 6, etc.

... and Many Many More in Stock for an orderform and catalogue write to: Phone 071-374 3749 Fax 071-4973708 69-76 Long Acre, Covent Garden, London WC2E 9AS

## REQUIRED JOINT VENTURE PARTNER/ VENTURE CAPITAL INVESTOR

HEALTH/FITNESS INDUSTRY  
Our Client has a successful distribution business with a strong brand position, operating outside the Fitness Industry.

It has made a considerable investment, including world patents, prototypes, demonstration videos etc., into the development of a unique fitness product which has huge international potential.

They seek a partner with strong connections/distribution/brand positioning to jointly take the project into the world market.

All replies to:  
Robert Clarke, BDO Binder Hamlyn, Victoria Square, Victoria Street, St. Albans, Herts, AL1 5BB.

Authorised to carry out investment business by the Institute of Chartered Accountants in England and Wales.

## BUSINESSES FOR SALE

**FOR SALE**  
Established Haulage, Self-Drive Van and Lorry Hire, Warehousing and Garage Business (including MOT) based in South West London. Approximately 50,000 sq. ft. of leasehold land on which there is 4,000 sq. ft. office accommodation and 26,500 sq. ft. warehouse/workshops. Owner wishing to retire - would suit either a company seeking acquisition or alternatively a company requiring a depot facility in this area. For further information contact: Box B1146, Financial Times, One Southwark Bridge, London SE1 9HL.

## DRUCE

ESTABLISHED 1822  
HOTELS & LEISURE  
HOTEL SITE  
CENTRAL BIRMINGHAM  
Close to international convention Centre. OPP for 100 bedrooms. Freehold. Offers in excess of £195,000 SAV  
Development funding agreed  
Subject to status  
Further information from  
TIM WHEELDON - 021-583-0444

BUSINESS FOR SALE Appear in the Financial Times on Tuesdays, Fridays and Saturdays. For further information or to advertise in this section please contact Neil Layton on 071 873 4780

# Fighting the Mafia in an island of fear

From page 1

dence has been accepted in court; Buscetta, in particular, has displayed an elephantine memory.

Following new laws passed last year, establishing a witness protection programme on the lines of the US, Italy's interior ministry now says nearly 400 pentiti are co-operating - compared with fewer than 20 a year ago. This is a staggering increase in such a short time, and a substantial burden on the state.

The government provides each with a basic £1.5m a month, or £2m if married, plus the guarantee of a safe haven. In one instance, around 40 members of one family were moved to avoid reprisals.

The evidence of the pentiti has been used already to incriminate a top intelligence officer supposedly working against the Mafia, expose corrupt justice officials and policemen, and reveal alleged links with politicians - including Andreotti, who Di Maggio claims to have seen embracing Rina at a Cosa Nostra meeting.

Luciano Violante, head of the parliamentary anti-Mafia commission, maintains the pentiti have every interest in telling the truth. If found to be lying, they risk not only losing state financial support but imprisonment. And although nearly all these men have blood on their hands, they also know the lives of their fami-

lies, if not their own, are at risk. Indeed, Buscetta's two sons have been killed in retribution while Mannoia's mother, aunt and sister have been murdered.

Musio is cautious about the progress of the anti-Mafia battle. "It would be wrong to give the impression the Mafia is being beaten," he says. "The organisation is still strong and Rina still has lieutenants in key positions among the fami-

lies, if not their own, are at risk. Indeed, Buscetta's two sons have been killed in retribution while Mannoia's mother, aunt and sister have been murdered.

Musio is cautious about the progress of the anti-Mafia battle. "It would be wrong to give the impression the Mafia is being beaten," he says. "The organisation is still strong and Rina still has lieutenants in key positions among the fami-

lies, if not their own, are at risk. Indeed, Buscetta's two sons have been killed in retribution while Mannoia's mother, aunt and sister have been murdered.

alone; indeed, one of the events marking the anniversary of Falcone's death has been a major conference on this issue. In the past 12 months, 13,000 worth of alleged Mafia assets have been confiscated, although there are legal problems associated with the seizures.

Then there is the personal security of those in the front line of investigation. Mafia intimidation has made the job of an honest official lonely, frightening and exhausting mentally - the strained faces of the magistrates in the palace of justice at Palermo tell that story. The staffing situation there is dramatic, with nearly 600 posts vacant. At the beginning of the year, 143,000 criminal proceedings were still in a preliminary phase and 13,000 others were waiting to go for trial.

At Calanissetta in the centre of Sicily, where investigations into the Falcone and Borsellino killings are centred, the government last summer had to seek special volunteer magistrates to help out.

Despite all this, on one important criterion laid down by the anti-Mafia commission, Cosa Nostra is losing. "Impunity sanctions Cosa Nostra's status of a state within a state," it says, "and if this is not corrected by the state, it is a sign that the former is either stronger than the state or that it is recognised and legitimised by the powers that be." Arguably, this is no longer the case.

*'The job of an honest official is lonely and frightening'*

lies; but progress has begun to be made. The message is rather that the Mafia, with time and determination, can be beaten. Even so, the Mafia retains the ability to kill and cause terror. Last late month, it was thought to be behind a car bomb in Florence that killed five people and damaged the famous Uffizi gallery. That was preceded, a few days earlier, by another car bomb in Rome aimed at a television talk show journalist - the first such incident in the capital.



## FASHION AND FOOD AND DRINK

# Goodbye Wall Street, hello West Coast cool

The British male professional is turning increasingly to Hollywood for a role model, reports Paul Keers

JUST A FEW years ago, the sartorial and professional role model for young British professionals was Bud Fox, the aspiring arbitrageur in the film *Wall Street*. Now, he has been replaced by another big-screen business figure: Griffin Mill, studio executive in *The Player*. Things have changed: the American look and lifestyle to which British men aspire is no longer Brooks Brothers, East Coast traditional - but West Coast contemporary.

As the dress code of the 1990s has become more relaxed, West Coast has replaced East Coast as the sartorial role model. For casual clothes, British men are looking to the West Coast workwear, typified by The Gap chain of fashion stores. And for business, the designer look of Hollywood executives is replacing the formality of East Coast bankers.

Each world has its codes. There is a particular movie business style - a cashmere/silk blend suit with pleated trousers, saved from dark-suit conformity by a subtle stripe of, say, lilac, rust or peacock blue in the fabric; a light, designer shirt; a Giorgio Armani tie (wider in cut and lighter in fabric than East Coast power ties); and spectacular socks. Magically transported to the other coast, to the corner of Wall Street and Broadway, the Brooks Brothers-clad businessmen would stop and stare - but in Hollywood, that is just the Uniform.

Even the lace-up black shoes, the classic half brogue New & Lingwoods worn by Tom Wolfe's Sherman McCoy in *The Bonfire of the Vanities*, are replaced, by tasseled loafers - and in suede, too. When Sig Rogich, an advertising and PR

man from Las Vegas, was brought to Washington to polish President Bush's image, his brown suede, Cole-Haan loafers immediately attracted attention. "I'm fighting for freedom around the world," said Secretary of State James Baker with mock scorn. "So you can wear shoes like that?"

Designer menswear took off quickly on the West Coast. It was new, and it was expensive - two endearing characteristics in L.A. Italian designers use lighter fabrics, better suited to the Californian climate than the heavier weight of East Coast tailoring. Indeed, tailoring itself is seen as Old World, and Los Angeles is the place furthest from being Old World.

And as with movies themselves, the entertainment industry believes in paying for big names and trusting them to get it right. So buying top-toe Giorgio Armani is the executive dress equivalent of investing in Arnold Schwarzenegger. Arnie or Armani - it is still a low-risk investment in a high-concept name.

The look spreads beyond the movie industry itself, even to sports personalities such as Pat Riley, coach of the L.A. Lakers basketball team, who now lectures American executives on motivation. He wears sharp, continental suits with his slicked-back hair: he is stylish enough to have featured on the cover of US GQ and attended Giorgio Armani's country house parties. And when the Lakers won their second consecutive championship, the talk was not of their achievement, but of why the coach wore a purple shirt in the victory parade.

It was the UK screening of the hit television series *LA Law* which

allowed British executives to see just how sharp West Coast dressing could be. And the BBC series *Naked Hollywood*, coupled with the movie *The Player*, have provided an equivalent view of the professionals in the movie industry. The result has been to legitimise West Coast style for British business.

The West Coast look shuns the traditional trappings of preppy businessmen: no cufflinks or braces, no heavy silk power ties, no striped shirts, brogues or three-piece suits. Instead, think in terms of lighter weight, foulard ties with Art Deco-inspired patterns; plain designer shirts with unstiffened collars; loafers; and lightweight suits, dark but with an intriguing stripe, cut more loosely than traditional tailoring. The look is like the West Coast mood - lighter, and more relaxed.

In L.A., work is done at odd times and odd places: Sunday brunches, beach parties, around the pool. No wonder the dress codes of business and pleasure have become so intermingled. And while the lawyers and agents have relaxed the traditional business dress code, their style is still formal when compared with many West Coast men. The relaxed style of Californian dressing is something of a cliché.

It is still said in New York that the edict "formal dress" on a West Coast invitation means that you are expected to wear socks. Informality has reached such extremes in California that the Triad Artists agency recently felt obliged to stem the tide and issue a dress code, banning jeans and T-shirts during business hours.

The most informal professionals in Western business are probably those in the California computer



companies. The average age of employees at many Silicon Valley companies is between 25 and 33. And aside from giants such as IBM and Digital, most high-tech firms are simply too young to be shackled by orthodoxies from the past. Polo shirts, jeans and loafers are standard working attire. At Apple computers, staff favour T-shirts, shorts and Birkenstock boots. "People put in a lot of hours around here," says an Apple spokeswoman. "You have to accommodate them. We have to warn executives if outside people are coming around."

And at Sun Microsystems, which employs nearly 7000 producing workstations, Scott McNeally, the chief executive, says: "We don't have a dress code. The only rule on dress is that you must."

It is this shifting attitude to dress which has spawned The Gap, the San Francisco-based clothing chain which is now the second-largest clothing label in the US, behind that other West Coast clothing phenomenon, Levi Strauss.

What The Gap sells is dubbed "workwear" because its style comes from blue-collar professions such as truck driving and engineering; yet it is now workwear for white collar work, such as film production, media and computing in both the US and Britain.

When their stylish, black-and-white ad campaign appeared on London buses, you could see a traditionalist like shoe designer Manolo Blahnik wearing a Gap turtleneck under an Anderson & Sheppard Savile Row suit. In a British menswear market looking for a way forward from traditional tailoring it was clear that this West Coast combination was going to succeed. It was timeless - the value we had been taught to look for in quality menswear - but also relaxed, that key word both of the 1990s and of Californian culture.

The Gap now provides British professionals with the casual basics - chambray shirts, chino trousers and polo shirts - which are becoming increasingly acceptable in creative work as well as at weekends. Of course, on the West Coast those two may be indistinguishable, but that may also, eventually, be true of the wardrobes, too.

As the L.A. look makes business dress more relaxed, and casual wear more acceptable for work, there may come a point when the two meet in the middle. Or is that just California dreaming?

W HICH Bordeaux district has a very different appellation contrôlée for its red and dry white wine?

The answer is not immediately obvious because the area is little visited by wine tourists to the Médoc or St Emilion - or even by the Bordeaux wine trade. In Britain the wines are all too seldom seen. The appellation Premières Côtes de Bordeaux applies to the reds. The dry whites are now classified as Bordeaux Blanc or Bordeaux Supérieur, according to alcoholic strength. Yet, since 1981 the sweet whites are Premières Côtes de Bordeaux Cadillac.

The Premières Côtes stretch for 60km and 37 communes along the right bank of the Garonne from just north of Bordeaux to St Macaire on the outskirts of Langon, but their width is never more than 5km

usually less - following the sinuous river upstream. Inland these attractive, often steep "first hills" above the river become the Entre-Deux-Mers.

Like most lesser French wine districts the Premières Côtes had never really recovered from phylloxera (a louse which destroys vines) and the almost continuous economic crises up to the second world war. Afterwards it was a somewhat decayed area, but in the 1980s and early 1990s, it was partly revitalised by immigrant growers from North Africa. However, in many cases they

lacked sufficient resources to transform neglected vineyards and restore semi-abandoned châteaux completely.

In the last dozen years a new generation of growers from a variety of professions - but all fired with the ambition to make wine - saw the opportunities to buy estates at between FF150,000 and FF350,000 per hectare according to their state, compared with FF1.5m in St Emilion and FF4m in Pomerol. Accessibility to Bordeaux was also an attraction. Estates that I recently visited included pur-

chases made in the last 12 years by Belgians, Danes, German and Japanese, as well as Bordelais and those from other parts of France. The most recent I came upon was made last summer, Ch Barreyre in Langlois, acquired by a Bordeaux builder and a doctor who had left medicine to become a wine grower.

Traditionally, the dominant red grape has been Merlot. The stated average proportion is 55 per cent, with 35 per cent Cabernet Sauvignon and 15 per cent Cabernet Franc. There is a little Malbec too, although

seldom replanted. But there are wide variations, and I visited châteaux with up to 70 per cent Cabernet-Sauvignon. However, the preponderance of Merlot and the *terroir* means less tannic wines than in districts such as Bourg and Fronsac. Thus they are usually drinkable after four or five years. The '80s and '80s are already agreeable, though the more concentrated '90s will need more time.

There are 450 growers in the area, 250 making mainly red wine, with an average total production of about 1.2m bot-

tles. White wines, basically Sémillon, with Sauvignon and Muscadelle added account for roughly another 290,000 bottles. In the north the wine is mostly red, but white gradually becomes dominant south of Cadillac (the walled bastide town built by the English in the 12th century).

Popularity of the Cadillac *moelleux* has been growing, following increased demand for Sauternes and Barsac. Sweet, but not luscious, it is commonly served in the area as an aperitif - with or without foie gras. If available in the UK it



should not cost more than £5, and the reds and dry whites from £3.50 to £5.

Increasingly made is Clairet rosé, said to have originated in Quinsac, where in the Place de l'Eglise the Syndicat has its offices and will help visitors to visit châteaux.

Nowadays 80 per cent of Premières Côtes wines are sold in bottle, almost all bypassing the Bordeaux trade and selling

direct to private customers, wholesalers and restaurants, with a surprising proportion exported, particularly to Belgium, experts at seeking out good, inexpensive claret.

Germany and Scandinavia also provide good markets, but almost everyone told me that the British market is very difficult. Tesco has the exclusivity of Ch Léon, a subsidiary of Ch Carignan, which is bought by Victoria Wine. Waitrose is selling Ch Haut Rian.

Traditional merchants may buy a certain vintage, via a Bordeaux house, and then perhaps not replace it immediately. Firms mentioned to me include Aveyers of Bristol; Berry Bros & Rudd, London SW1; Justerini & Brooks, London SW1 and the Wine Society, Stevenage, Hertfordshire. For quality and price the wines are worth exploring.

## Wine

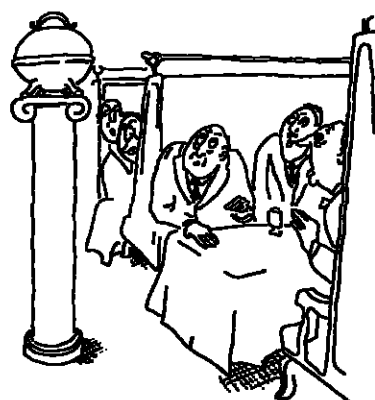
# Worthy clarets on the fringe

Edmund Penning-Rowell tries some lesser-known bottles in Bordeaux

## Cookery/Philippa Davenport

# Guess who's coming to dinner...

## What's the English for Haute Cuisine?



Simpson's-in-the-Strand. It is where traditional English cooking is raised to its greatest heights. The finest roast beef and roast lamb in the world. Lancashire Hotpot. Aylesbury Duck. Grilled Dover Sole. And Simpson's unforgettable Treacle Roll. Simpson's-in-the-Strand is open every day from 12.00 - 2.30pm and from 6 - 11pm in the evening, and on Sundays from 12.00 - 2.30pm and from 6 - 9pm. Close to theatreland, it is ideal for supper before or after the show.

But please book now. After all, the English are renowned for being reserved.



**SIMPSON'S**  
IN-THE-STRAND

For reservations, please call (071) 836 9112.

Always a good sign.

## CLARETS AND VINTAGE PORTS

WANTED

We will pay auction hammer prices. Payment immediate. Please telephone Patrick Wilkinson 071-267 1945

WILKINSON VINTNERS LIMITED

41 Constance Rd London NW8 2LN



## SALMON WITH OLIVES AND CAPERS

This recipe, which uses the same amount of fish as the kedgeree, makes an almost-instant main course for two people.

Although the salmon is cooked to the same degree as in the kedgeree, the steaming process is quicker here because the fish basket is placed directly over boiling liquid.

Ingredients: 2 salmon tail fillets weighing about 5 oz each; 1½ tablespoons olive oil; 1 tablespoon black olives (preferably tiny whole Nicoise olives, or stoned and sliced kalamata); 1 tablespoon chopped capers; 1 tablespoon chopped parsley; 1 lime.

Lay the fish skin side down in a lightly-oiled steamer basket. Season with salt and pepper and steam over boiling water until it is just cooked through, about four minutes.

Make the sauce while the fish rests. Heat the oil gently until hot and fruity. Draw the pan away from the flame and add a good seasoning of freshly-squeezed lime juice. Swirl to mix and stir in the olives, capers and parsley.

Spoon the sauce over the salmon and serve garnished with wedges of lime.

similarly, this time following an idea gleaned from food and gardening writer Lynda Brown.

Wrap 1-1½ oz mounds of soft goat's cheese in vine leaves that have been blanched and painted all over with olive oil. Grill the parcels gently until the contents are warm and the leafy surfaces begin to brown. Serve with a fresh apricot sauce made by stewing until tender some skinned and chopped ripe apricots, with a few tablespoons of water and vanilla sugar to taste. Partner the pud with chilled dessert wine.

**SALMON AND ASPARAGUS**

KEDGEREE

(Serves 4-5)

Flecked generously with flavoured goodies, this is a pretty dish: pink, green and

white. The rice could be increased to 10 oz without any hint of meanness. The asparagus is cooked as I like it (neither fashionable semi-raw nor old-fashioned limp) but timing can be altered to taste.

Ingredients: 2 salmon tail fillets weighing about 5 oz each; 12 oz asparagus; 8-9 oz basmati rice; 1½ pt fish stock; about 3 oz butter; a bunch of flat leaf parsley; wedges of lemon for serving.

Method: Soak the rice in cold water for 10 minutes or so. Wash, trim and scrape the asparagus. Cut it obliquely into 1½-inch lengths. Set the tips aside and put the rest into a steamer basket. Oil lightly the base of a second steamer basket, lay the fish in it skin side down, and season with salt and pepper. Bring the stock to the boil

and stir in the soaked and drained rice. Cover and cook at a fast simmer for about seven minutes. Then, stack the steamer baskets over the rice and continue cooking for about eight minutes more.

Put the asparagus basket immediately over the rice (the stalks will need about half minutes, the tips about eight minutes, so add them later) and place the salmon basket on top of the pile, where the steam will be gentlest so the cooking process is slower.

This means that all three ingredients should be ready more or less simultaneously - the rice tender, the asparagus not collapsing but retaining a little crunch, the salmon moist and just cooked through - but it is best to check progress by looking and tasting now and then. Adjust the flame, alter

timings and re-stack the steamer baskets as necessary.

Lift out the salmon as soon as it is cooked and lay it skin side up in a serving dish in which you have melted the butter. Strip off the skin and flake the fish into the butter. Add a good grinding of black pepper, mix in the rice drained of the stock, and 5-6 tablespoons chopped parsley. Fold in the asparagus, check for salt and serve with wedges of lemon.



## Foley & Foley

Our shirts are made from the finest two fold cotton poplin available. Generously cut. Priced at only £36.50. Our quality shirts are made in our own work rooms. No charges for post or VAT. Send for our colour brochure today or telephone 071-439 4807. (Fax: 071-277 5563).

Foley & Foley, (Dept. FT), Unit 1, 1A Philip Walk, London SE15 5JH.



## HOW TO SPEND IT

# A more selective way to enjoy Hong Kong

Lucia van der Post takes it easy and is not taken in by bargains

**T**HE FIRST time in Hong Kong is always special but now that I am an old hand I find it interests me in different ways. Fifteen years ago Hong Kong seemed like the bargain basement of the world. Hand-embroidered linens, fake watches, cheap copies of famous handbags, slightly imperfect cotton shirts, cute children's clothing - you name it, I bought it. I learnt the hard way that only the very best of Hong Kong tailors ever produce exactly what you have in mind and that not every piece of jade is precisely what it seems.

Yau Ma Tei on Kowloon, open every day from 10 am to 4 pm) as an experience, not as a place for serious investment and do not expect, unless you are really knowledgeable, to find a bargain.

Dedicated shoppers wanting to track down keenly-priced designer labels should get the excellent free guides issued by the Hong Kong Tourist Association - *Shopping and Factory Outlets* and *Hong Kong Factory Bargains*. Those who, like me, are after proper antiques should buy Drummond's *Hong Kong Guide to Art & Antique Dealers*.

I always head straight for



Ancient remedies from the herbal medicine store in Queen's Road West

bishment". Ask for one of the soothing Eastern-style massages and you may, like me, get Christine. She specialises in a combination of vigorous massages which she follows with some reflexology, all accompanied by stream-of-consciousness chatter.

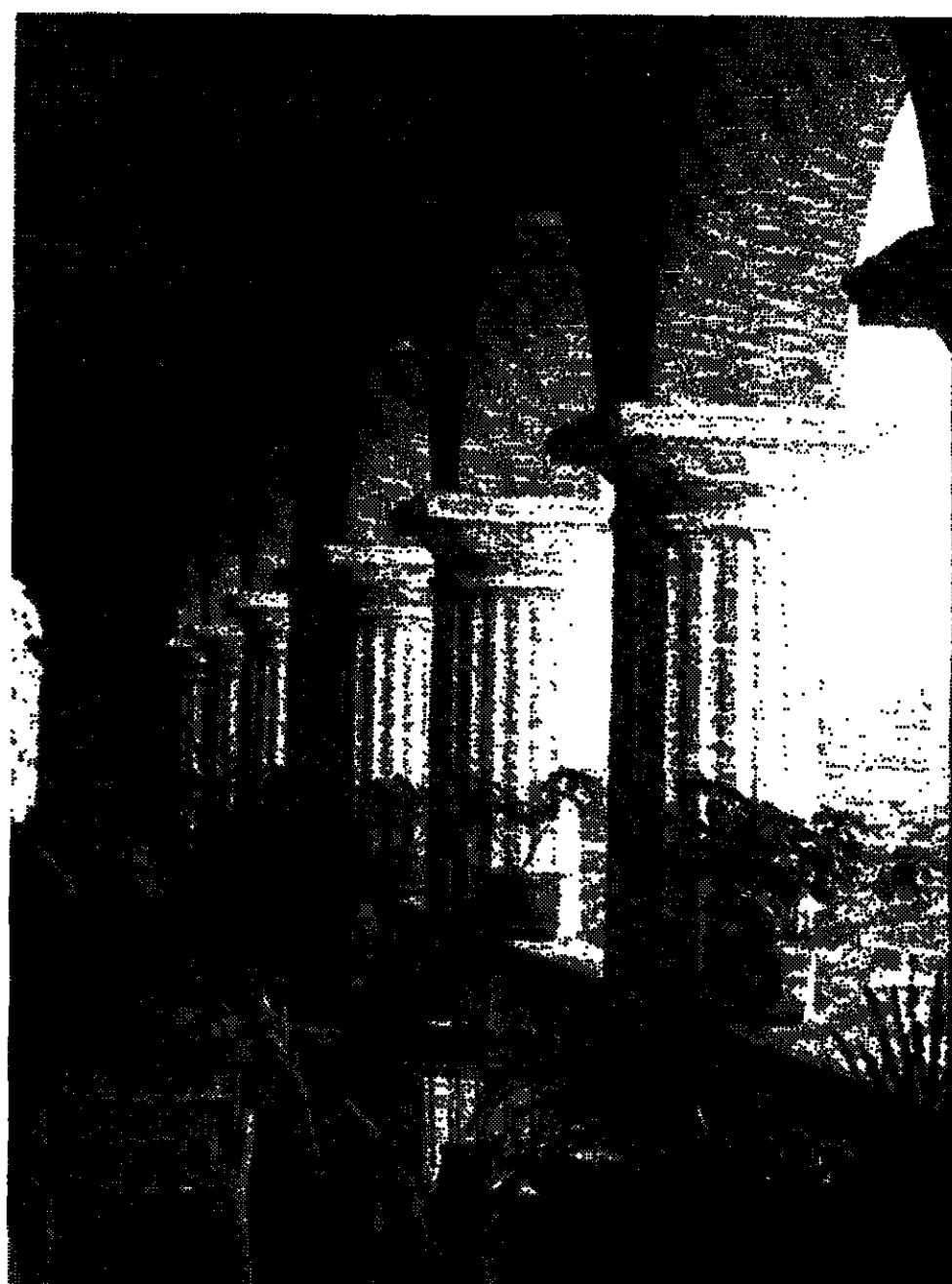
"Fat thighs." (As if I didn't know.) "You drink two pints of jasmine tea a day, you eat fish four or five times a week... crystal on kidney, crystal on thyroid... cook plenty for your husband... way to husband's heart." Sound advice I am sure. Just what you need to hear as you set out on the serious business of shopping.

Save some time to take a few days off in Macau. Jet-foils leave Hong Kong about every 15 minutes all through the day, the journey takes about an hour and it costs about £10 each way. Macau is an ancient trading city, where the great tai pans of the old China Coast had their summer homes and where Sun Yat Sen planned the overthrow of the Manchu Dynasty.

Do not be put off by your first glimpse of the sky-scrapers on the skyline ("Oh, God," you think, "not another Hong Kong"). You will find a heady blend of strange cultures - Southern Chinese, Portuguese and Macanese - which makes it quite, quite different.

In the old days people went out to enjoy Macau. These days almost anything you care to name is cheaper than in Hong Kong. If you are short of sports clothes San Domingos Market is the place to head for - I bought a man's cotton shirt for £2.50, a cream tracksuit for myself for £3.50 and jeans, polo shirts, children's clothes (in particular the Red Market) are all available for a song. Many are seconds from the factories that churn out these things for the West so look carefully before you buy.

More fun, in my view, is looking into all the antique shops - rumour has it that many of the Hong Kong dealers buy here and double the price when they get back home. The flea market - its



Eating at fresco at the Bela Vista in Macau

a hotel with real character.

From there you can saunter out to enjoy Macau. These days almost anything you care to name is cheaper than in Hong Kong. If you are short of sports clothes San Domingos Market is the place to head for - I bought a man's cotton shirt for £2.50, a cream tracksuit for myself for £3.50 and jeans, polo shirts, children's clothes (in particular the Red Market) are all available for a song. Many are seconds from the factories that churn out these things for the West so look carefully before you buy.

More fun, in my view, is looking into all the antique shops - rumour has it that many of the Hong Kong dealers buy here and double the price when they get back home. The flea market - its

best to go in the mornings - is in the lanes round Rua das Estalagens (close to St Paul's ruins, a big Macau landmark). We found marvellous old furniture shops in these little streets and fell on the pieces in Lai Weng Lok in the Rua Nossa Senhora de Amparo No 37 R7. A mixture of genuine old pieces from the mainland and new, impeccably made copies about which they seem totally honest, prices were incredibly good. Lai Weng Lok does not take credit cards but will pack and ship.

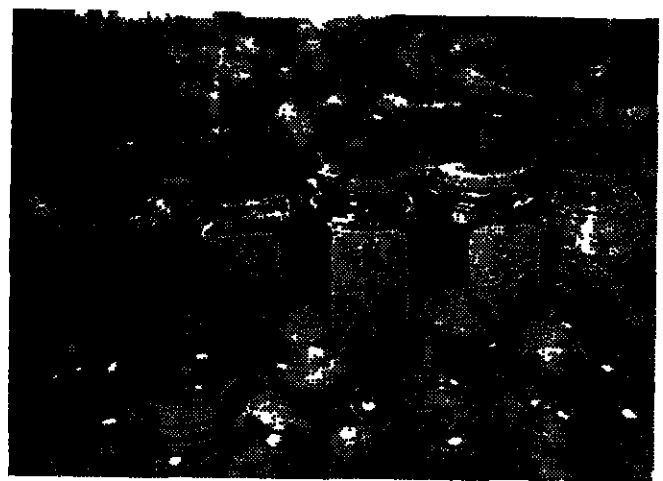
Lan Kam Kei, Rua de Madeira No 19 A, I found more expensive but it takes credit cards and is generally better geared up to Westerners.

Other good buys are hand-embroidered cottons and linens, porcelain old and new - lots of gentle blue and white tea caddies, plant pots, tableware. Gold jewellery and pearls come duty free and with no sales tax and are popular but the designs seem to me dull and unoriginal, though you could not go far wrong with a classic string of pearls. And if you want to buy even cheaper and go closer to the original source of the embroidery, the basket-ware, the jade, the porcelain, take a trip into mainland China - you can make it to the border in a couple of hours and just beyond

the border you can start haggling in a small open-air market-place. Otherwise three-day tours are organised to several Chinese towns.

Food is marvellously interesting. For posh dining you could go to the Bela Vista - a lovely room and an eclectic mix of international food and local specialities. Fernando's baked crab casserole they say is not to be missed (though, sadly, we had to) - find him at Hac Sa Beach No. 9, Coloane. The Inner Harbour area is wonderfully scruffy but filled with life and interest - eat at the informal tables set up in the streets and you will get fresh, zesty seafood. We eat wonderfully at Henri's Gallery, 4 Avenida de Republica - plate after plate, starting with spicy prawns and including African Chicken (a local speciality) and a whole roast fish.

Flights to Hong Kong are expensive (British Airways offers a World Traveller, with a minimum seven night stay, but otherwise the economy fare is £1,200 return) so I would recommend the special British Airways Holidays (Tel: 0293-611611) package of £925 for return scheduled flights and 7 nights at the Mandarin Hotel (room only). The Bela Vista in Macau charges HK\$1,000 per day per suite.



The oldest tea-merchants in Hong Kong - Yuen Man Hing Kee Tea Co

These days, I buy much less and better. If I need a special lens for my camera or a string of pearls for a 21st birthday celebration or have a special antique in mind, then I plan it and go where the prices are possibly higher but the quality more certain.

First-timers, though, should never miss the markets - prices may have risen but they still are filled with life and interest. Stanley Market and the Kowloon City Market are the places for clothes - you need to be patient and prepared to sort through rails but bargains are there to be found. In particular, look for washable silks (wonderful Equipment-style shirts) and tracksuits. Shoppers in both markets are mostly tourists. If you want to shop where the locals shop then go to the women's market in Mongkok in Kowloon - the prices are even lower.

Treat the Jade market (in

the oldest, fuddy-duddiest of the Communist China Stores (the one in Queen's Road Central which is always filled with local Chinese doing proper shopping) just to catch the flavour of China proper. I like to look in on Li Yuan Street East and West, heart of the rip-off merchants (this is where you buy a belt with Woschino written on it and once the money changes hands you turn the W the other way round) just to see what's up.

If I feel in need of anything smart - wear the best buildings (HK, you see learn, is full of buildings) are The Landmark, Princes and Pedder.

This time, though, I decided to wander more and buy less - I liked it better. Start with the Hollywood Road, which is where all the best of the antiques are and where there are still workshops and ateliers where almost no English is spoken. Tomb figures, it seems, are currently all the rage - you

can buy Ming dynasty figures for around HK\$1,000 or a giant Han dynasty horse for about HK\$7,000.

From there walk around the ladder streets and head in a westerly direction. As you walk along The Nun's Street listen for the click-click of the Mah-jong pieces coming from almost every room.

In Tai Ping Shan Street in the Western district you will find the fortune-telling temple where the locals line-up for serious consultations. In Queens' Road West there is much more fun to be had browsing round the traditional shops than in any number of smart department stores.

Where else could you find 20 candles for just HK\$10, if not at the Temple Equipment Shop? Where could you drink

Nine Dragon Tea, a tea to wake the dead, if not with the fourth generation owner of the oldest tea merchants in town, Yuen Man Hing Kee Tea Co, 45 Queen's Road West? Who else would show one how to serve the tea? (Use a pottery pot, keep it wet to make sure it does not absorb too much and replenish endlessly). Where else could one eat an authentic Chiu Chow meal in the simplest but most appealing of local restaurants? (At 49, Queen's Road West, Sheung Wan, it looks like a take-away but you will find seats upstairs).

When the jet-lag threatens to overcome you, head back to the sanctuary of the Mandarin Hotel but before you sink back in your room to admire the view stop in at the health spa which has had a "major refurbishment".

## China's antique treasures

**I**F YOU are in the mood for some serious shopping in Hong Kong then you might consider some proper antique Chinese furniture. For those who like the thrill of the chase, who like rummaging in scruffy shops, then there is a lot of fun to be had walking up and down the hills and backstreets of Central District.

Head for Hollywood Road, a bare ten minutes walk from the Mandarin, and potter round the "ladder streets" - you will find everything from posh set-ups discreetly exhibiting a few rare pieces to little holes in the wall shops where you can hardly see the contents for the dust.

If you prefer to have the hazard removed and want a certain source of well-priced authentic Chinese antiques, visit Beatrice Owen. She has been collecting Chinese and European antiques for years. Finding herself in Hong Kong she set about learning Cantonese and studying Chinese furniture. She makes regular forays into mainland China buying furniture, carpets and other traditional artefacts.

They are almost invariably in poor condition when she buys them but she has two Chinese carpenters who repair, restore and sand down in the traditional way. She will not buy furniture that has been restored on the mainland.

"The passion," she says, "for care has gone, they use

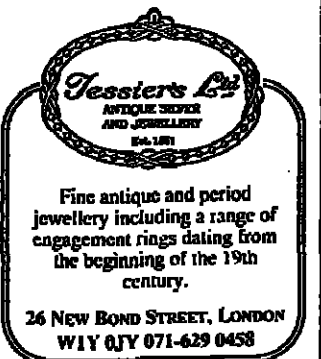
modern materials and glues whereas my carpenters make their own tools and use only the old traditional methods."

Her tastes run to simple, country-style furniture. She does not go in for the over-decorated, ornate pieces that sit uselessly in Western homes.

Her shop is at 40 Hollywood Road, Central, Hong Kong. It always holds a selection of restored pieces and artefacts - a pair of late 18th century elm wardrobes from the North at HK\$35,000 (approx £380) each, butcher's tables (HK\$3,200), camphor chests (HK\$1,100) and porcelain, silver, children's toys and shoes.

Much more fun, though, is to visit her warehouse - ring the shop (telephone 850-7813) and she will make an appointment. Everything there is piled high, covered in dust, mostly unrestored and much as it arrived from the mainland. Here is a perfect chance to test your eye. Which is the camphor chest with best grain, the butcher's table of the most pleasing dimensions, the cupboard with the finest lines?

Prices seemed exceedingly reasonable - you could buy



Beatrice Owen and one of her Chinese carpenters at work in her warehouse

a fine piece of cabinet work, a genuine antique, for less than half the price the equivalent piece would cost in the West.

Owen will organise packing, shipping and all the tedious paper work. The other great

bonus is that not only is the antique furniture much more beautiful than most modern repro but anything over 100 years old can be imported free of duty.

Lucia van der Post

## WHO SELLS TICKETS TO THEIR MIDSUMMER SALE?

FORTNUM & MASON

### WHO ELSE?

As purveyors of merchandise of quality and style and in keeping with a long tradition of serene and attentive service, Fortnum & Mason have created for you the quintessential Summer Sale.

This unique event is to be held on Midsummer Day - Thursday 24th June, from 6.30pm to 9.30pm.

Having purchased your Midsummer Day ticket for just £25, you will be hosted with canapés and enjoy refreshments of exotic fruit cups, chilled sparkling and cool summer wines. Your enjoyment is assured with music, demonstrations and exclusive offers - a singularly memorable evening.

You will not only enjoy an occasion of inimitable hospitality and unique ambience but you can subsequently redeem the entire cost of the ticket against merchandise purchased during the evening. (Excluding meals purchased in the Restaurants)

You may care to complete this perfect evening in the renowned St James's restaurant, where a special celebratory dinner of style and value is being created. Price £25

Telephone Audrey Pole 071-734 8040 for tickets and dinner reservations. Please have your credit card details available when you call. Written applications, accompanied by a cheque, are also welcomed.

The Midsummer Day Sale event is limited to only 750 tickets so an early response is recommended to avoid disappointment.

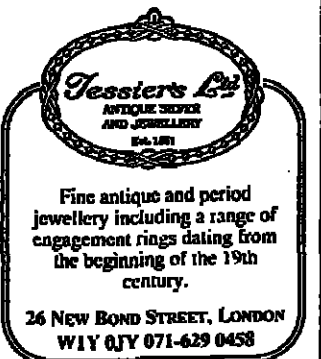
**FORTNUM & MASON**  
181 PICCADILLY, LONDON W1A 1ER  
Tel: 071-734 8040 Fax: 071-437 3278

## Buying Oriental Rugs?

Buy through long-established International Brokers and save serious money

Free 24 page guide to all the tricks of the trade

Phone 0275 333699 or write to Scott Walker The Lochan House Chew Stoke BS18 8YB



Beatrice Owen and one of her Chinese carpenters at work in her warehouse

I have come to the conclusion that these days it has become too easy to be absorbed in the practicalities, and that one must take care to keep a place in our busy schedules for the life enhancing qualities of luxury craftsmanship and a little fantasy.



Beatrice Owen and one of her Chinese carpenters at work in her warehouse

**Kingshill**  
The British Designers Collection

A unique catalogue showing our Summer selections from:  
Paul Costelloe, Amanda Wakeley, Caroline Charles, Anna Hindmarch, Butler & Wilson, ... luxury craftsmanship and a little fantasy ... call now on 0494 890555

## EXHIBITION Tables by Design



You are invited to view the elegant Dining Room Table creations of five top British Fashion Designers

Anouska Hempel Jean Muir Hardy Amies Victor Edelstein Tomasz Starzewski

in the Top Table Room at Asprey Thursday 10th to Saturday 26th June 1993

See the new Baccarat crystal bar collection and the new Bernardini porcelain patterns exclusively at Asprey

All items on display available for sale

**Asprey**

165 - 169 New Bond Street London W1 Tel: 071-493 6767



## PERSPECTIVES

Despatches/Singapore

## The case of the discourteous cockroach

Kieran Cooke discovers an intruder in a society where everyone observes the litter of the law

I AM SITTING in an old corner coffee shop in Singapore. A cockroach has just walked past my chair. I almost fall to the floor in shock. Singapore is possibly the cleanest place on earth; there is not even a bird muck about. Every car looks sparklingly new. Cockroaches mean dirt - and dirt is not allowed in Singapore. That cockroach must be punished.

There are societies where rules are flouted. People cross roads on red lights, sit on lawns beside "Do not walk on the grass" signs or insist, quickly, on the right to light up giant stogies in no smoking areas. Then there are societies like Singapore, where rules are meant to be obeyed strictly. None more so than the cleanliness laws.

The Singapore authorities wage a relentless campaign against dirt creators. People can be fined up to \$31,000 (\$400) for not flushing public toilets. Smoke in an indoor public place or give a careless spit and bang goes another hefty wad of dollars. Carry chewing gum into the country at your peril. Since last year, the evil stuff has been banned. It is dirty and has been known to mess up the operation of the doors on Singapore's pristine underground system.

The authorities go to considerable lengths to catch litterbugs. Recently, closed-circuit TV cameras were installed at a housing estate to

try to catch people throwing rubbish out of windows. Being caught discarding a sweet wrapper or cigarette packet risks not only a fine but public humiliation as well. Recently, the government cornered 10 litter louts and the media was called in. These social deviants were lined up for punishment, forced to wear neon-green "Corrective Work Order" vests and set to work picking up rubbish. For an hour, they were paraded before jeering onlookers and television crews. There were front-page pictures in the newspapers.

Some have said the government is going too far in its anti-litter campaign: one MP drew a parallel with the activities of the Red Guards during China's cultural revolution of the late 1960s when alleged counter-revolutionaries were subjected to similar public humiliation. But most Singaporeans have come to accept the finger-wagging ways of their government. In any case, most are campaign drunk, anyway.

Scarcely a month goes by without a new campaign being launched. There is the anti-smoking campaign (with the papers carrying a daily picture of a healthy non-smoker), the anti-road bully campaign, the speak Mandarin campaign. Then there was a birth control campaign

for families to "stop at two." Now, faced with a rapidly ageing population, the government is changing tack. Educated women, especially, are being encouraged to have more children.

The government is waging a campaign to make people more entrepreneurial. There are even suggestions of a campaign to make Singaporeans more spontaneous. Meanwhile, a courtesy campaign has been going on for 15 years. This year, the government - under the auspices of the recently formed Courtesy Council - has decided to spread its campaigning wings and the target is "ugly Singaporeans"

misbehaving abroad. The local newspapers have been full of stories about such people.

Apparently, Singaporeans have a vacuum cleaner approach to buffet meals, piling up their plates and shovelling excess food into carrier bags. They use calculators when looking at menus. They grab any free gift going, steal hotel towels and are constantly on the look-out for free lavatories. They take pictures when not allowed.

These anti-social traits are by no means exclusive to Singaporeans; many people from other countries have similar, or even nastier, habits. But Singapore's motto is: never

let a chance for another campaign go by. Come July 1, the foreign minister is due to fire the first shots against the ugly Singaporean abroad. Tourists, business people and students will all be under scrutiny. A search is on for the politest Singaporeans overseas - the so-called "courtesy ambassadors."

An official involved in the campaign says one effect will be to make Singaporeans overseas feel wanted. "It will boost their morale, as many feel neglected and left out of what happens in Singapore." But my cockroach does not look neglected. It is looking fat and content as it strolls around in the dirt. Probably a smoker and gum-chewer to boot. Never flushes toilets. Must be a visitor from overseas.

## Man with a plan tries to make sense of London

Jimmy Burns joins a tour with the mayor of Barcelona

PASQUAL Maragall, the elected mayor of Barcelona since 1982, presides over a city that has come to be seen widely as a model of well structured urban planning, bold architecture and leadership.

At 52, he can look back over two and half terms in office during which Barcelona has undergone one of the most ambitious urban renewals of any European city. The process culminated in the creation of an Olympic village on what was a polluted wasteland on the banks of the Mediterranean.

The FT brought Maragall to London, a city despised by so many of its inhabitants because it lacks the very qualities which Barcelonenses claim as their trademark. Is Barcelona as good as people make out? Is London as bad? What too, could we learn from Maragall, the "urban socialist" who claims to know what makes urban dwellers happy. We flew him to Heathrow and took him round the city for a day. This is a diary of his hectic progress through the British capital.

tions, but the emphasis is on the modern.

The taxi slows and Maragall joins the tourists watching the changing of the guard. The Royal parks and Buckingham Palace are illuminated by a spring sun. "Now all this is the result of history and a time when there was 'sound planning'. When I see all this, I think, God it's beautiful. It is the summit of humanity, but I also think, how unfair. Why is it that it is always capital cities that have the wealth of the nations to spend on themselves? What will happen to London when it is not the capital of a sovereign state when the real nation is Europe?"

Whitehall, he muses, as we leave Big Ben behind, has too much concentration of power; the City is too exclusive in its emphasis on business, the way it functions only by day and closes for the night.

"Cities are not islands, nor should they have islands in them because if they do cities disappear... you deny citizenship... The City is dead

*'What will happen to London when it is not the capital of a sovereign state when the real nation is Europe?'*

at night. I don't see why it should be. All you need is to mix residences with shops."

So what can Barcelona offer by day and night? I ask... "A surprise: a city that is alive. People strolling down the Ramblas... people talking to each other... a city made up of equally important parts," Maragall answers.

12.30 Maragall alights from the taxi at the corner of Broad Street and Bishopsgate in the midst of buildings wrecked by the IRA bomb blast. Looking up at the shattered Hongkong and Shanghai Bank, he seems not so much shocked as unimpressed. "This building is not a Norman tower. It's not very beautiful," (Poeter is one of Britain's exports to Barcelona. He designed a telecommunications tower described by Catalans as poetry in architecture).

"This kind of thing can happen in any city. It's very difficult to stop terrorists as organised as the IRA. We couldn't," Maragall says a city that concentrates its financial activities in one area is more vulnerable.

1.00 To the FT for lunch with Sir Peter Bowness, Tory leader of Croydon Council; Tony Travers, from the London government unit at the

LSE; Margaret Hodge, former Labour leader of Islington Council and Stephen O'Brien, chief Executive of London First and London Forum, the business-led body which has the government's backing to promote London.

Sir Peter defends his patch. "When one talks of London," he says, "one can only consider its different constituents which in themselves are very different from each other." Travers says London is "a whole collection of villages" defined by history and justified by it.

Hodge insists that a city like London needs a voice.

Maragall knows Hodge as an ally. "London to an outsider presents a curious face. It seems a city that is being subtly subjected to a very centralised government which ignores the wishes of the citizen."

O'Brien suggests that perhaps the mayor does not really know what makes London tick. "There is a definite move against centralised government bureaucracy... greater co-operation between business and public sector to put pressure on government... It is not an attempt to present a new vision in London, it is an attempt to make things happen in London..."

And certainly not with an elected mayor, adds Sir Peter. "There is not the same loyalty in the populace to the concept of municipality as there is in other parts of Europe. It simply wouldn't happen. There is no groundswell of public opinion. Quite apart from the objections at the local level, MPs instinctively don't like competition."

Hodge disagrees. "That's not what the surveys in the *Evening Standard* tell us."

The dialogue shifts to culture and design. Maragall says: "If Barcelona has one asset it is the gift of design. You cannot show a design that is not the best otherwise you lose your trademark. Barcelona wanted to be a capital and never was... it is always trying to go beyond itself and we had a lot to catch up after 40 years of dictatorship..."

The gathered Anglo-Saxons look bemused.

2.45 pm The Docklands Light Railway. It is running on time, uncrowded, its passengers are mainly businessmen.

"In Barcelona not only do we not have half as many underground lines as you have here... but no one apart from the working class uses them."

But Londoners think their public transport is crowded, unsafe, dirty, Maragall shrugs this off as unjustified moaning. "I've spent two years living in New York, this is paradise by comparison," he says.

Docklands give him the cue to talk about his own achievements.



An overview of London: Pasqual Maragall, the Mayor of Barcelona, looks down from the 34th floor of Canary Wharf tower

"We redesigned whole urban areas which didn't seem to belong anywhere any more. We gave symbols of power to the periphery in the form of statues. We gave people the idea that we care about them... we built new low cost housing and squares where brothers had been."

Even an elected mayor cannot get everything he wants in a chain of government that runs upwards to the regional authority and then to Madrid. Maragall looks at the DLR with regret. "This was the kind of train system I wanted in Barcelona but I didn't get the money for it from the regionalist government."

3.00 pm Canary Wharf has some of the same architects as Barcelona. It has bold designs. But Maragall finds it too empty and silent. "Where are the people?" he asks.

From the 34th floor of Canary Wharf tower Maragall looks across Docklands. "I like this more than

La Défense in Paris. The architecture is more human. It's the scale that obviously is too big. This is going to take years to occupy fully and someone will have to pay for that. This was the product of a government that believed the free market was everything. This is a capital sin. Sheer arrogance."

However, Barcelona's equivalent docklands development, the Olympic village built by a mix of private and public capital and socialist government intervention, is also partly uncrowded.

4.45 pm The mayor goes upstream in a Riverbus. He says that while Barcelona had rediscovered the sea, London has obscured its river.

Watching the rush hour stampede across London Bridge, he says: "It would be very difficult for Latins to cross a bridge... they don't like having their cars more than about

200 metres away from their work... That's why the traffic is so bad in Barcelona."

5.15 pm Stepping ashore at Festival Pier, Maragall says of the South Bank: "It's horrible. You should knock it down but only gradually... I remember when Franco died the architects wanted to knock everything down... we restrained them so something was left."

The Mayor insists on diverting to the Hayward Gallery where there is an exhibition by James Turrell, a Californian, and one of hundreds of artists who Maragall has brought on to the streets of Barcelona to be viewed free-of-charge by the public.

5.30 The delegation makes its way across cardboard city. London's homeless loiter among excrement and empty beer cans. "This is no worse than Barcelona. This is a worldwide phenomenon. These people will always seek shelter under

ground."

5.45 The Mayor is given a private preview of the new international terminal at Waterloo station. Gazing at Grimshaw's bold design, listening to the men from Bovis and British Rail talk about the wonders of Europe and getting to Paris in three hours, Maragall thinks he has found the link he has been looking for. "It's airy it's wide... it's beautiful... It's EUROPE... This is going to change London's history."

Unfortunately the terminal is not the international link he imagines. BR has abandoned its southern route extension to the Channel tunnel and the fast European trains will run on a northern route from St Pancras, leaving Waterloo redundant. It is an example not of European vision but of the uncoordinated government that bedevils London. At day's end, Maragall had been seduced by a white elephant.

## Fishing

## Days of joy before the fouling of Eden

Tom Fort reflects on the pleasures of his favourite river - since stricken by an ecological disaster

NOT THAT long ago - a lifetime or so - most of England was blessed with true trout rivers, by which I mean rivers with self-sustaining stocks of native brown trout. But our age, characterised by neglect and abuse, has seen the destruction of much of this legacy. Pollution, abstraction, and unthinking exploitation has picked off one river after another, and the process of ruin continues.

Of course, there are still English rivers on which the wild brown trout may be caught. Those game, fierce fellows of Exmoor and Dartmoor still thrive. There are sanctuaries elsewhere in Derbyshire, Yorkshire, Northumbria and Shropshire. And the wild fish hang on in the chalk streams of the south, despite often being outnumbered and eclipsed by stocked interlopers. Although a southerner who does

most of his fishing on the Kennet, my most potent daydreams are of another river which belongs to the north-west. It is the Eden, a great, broad river in Cumbria which defines a landscape of sweeping, fertile fields and treeless, dun fells. It has a scale and a grandeur which no southern river can match, and its trout are - for the most part - wild.

A while ago, I wrote of the bridge over the Eden at Langwathby, and the view of the river above. It is as grand a sight to me now as when I first drank it in nearly 30 years ago. The river here is so wide that, between one bank and the other, it presents most of the varied aspects of its enchanting character. There are bubbly shallows, dark channels between rosy sandstone boulders,

marbled runs emerald with weed, and calm depths shaded by beech and hazel.

When there is a hatch of fly, it can take a full morning to do justice to this short stretch, from the bridge up to where the river bends to the right. A little way higher is a steep bluff, thick with trees. The water runs deep and strong at its foot and is full of trout - although the difficulty of the wading and the steepness of the bank make getting at them something of a trial.

Above this stretch are wide, featureless flats followed by a tremendous reach, deep enough to demand chest waders, thick with weed and alive with fish. I have stood there at the height of a sedge hatch on a June night and lost my head and my nerve utterly at the sight of a



surface boiling with feeding trout.

There, too, I suffered an early, indelible trauma. In those days, I knew nothing of the dry fly and almost nothing of matching the fly to the hatch. I would tie on a

made-up cast of three flies - Farbridge and Orange, Brown Owl and Greenwell, perhaps - and fish with it until a break or a tangle forced me to desist.

On this occasion, I was with one of my brothers. It was late April. The sky was white, the wind raw, and soon it began to snow heavily. We were astounded when a frenzied rise began. Between the snowflakes, we saw multitudes of dark, high-winged flies on the water and the trout slashing at them.

Delirious with excitement, we flailed away until the numbness of cold and failure overwhelmed us. Several years later, I realised that the hatch was of iron blues and that, with a dry fly or a wet Salpale-and-Purple, we must have done great deeds.

In those days, we fished the wet fly downstream and nothing else. I used to hook a lot of fish - and lose a lot. When the weather warmed and the water firmed, the trout would not look at a wet fly. One hot day in June, I watched a stranger extract two fish of more than 1lb each on a dry black goat. Entranced by the delicacy of the execution, I became an instant convert.

In general, I have remained true to the faith and the rewards have been rich. There was a day, a couple of years ago, when the light flies hatched for 12 hours without cease. I began below Watersmeet, where the Eamont flows into the Eden, then fished up the Eamont, and returned to the Eden as twilight came. And when I reeled in and splashed to the bank, the bats were

out and the trout were still taking. So many hours and days on the Eden came back to the mind, the disasters and blanks filtered out to leave the triumphs and the joys. Each time I have returned, I - like so many before me on this river - have thought how well it was named.

There is, though, a ghastly footnote to this lyrical celebration. At the end of March this year, a tank containing liquid ammonium oxide fertiliser overturned beside a small watercourse at the head of the Eden valley. The chemical killed virtually every fish along 20 miles of river.

Although the slaughter stopped short of the stretch which I know and love, the whole river has been stricken by the disaster. It is a reminder - if such were needed - of man's infinite capacity for defiling his inheritance, and of what happened to the first Eden.

MOTORS



SPORT AND MOTORING

Cricket/Teresa McLean

# The return of the painted warrior

THE LAST time the Australians visited, in 1989, they began their annihilation of England's Test teams with a crushing victory at Headingley. When their batsmen there had reached 526 for six, I found Allan Border, cheered no doubt by the score, happy to sit and chat about cricket.

Four years later the international game has changed. Or perhaps one should say continued down its course. Strong, pragmatic defences have been erected and press conferences are the preferred quarters for the press, which I can understand. But players with the most spectacular public images, such as the old painted warrior Merv Hughes and the new leg-spinner Shane Warne, are stars as well as cricketers, with agents who have negotiated exclusive interview rights for them with particular papers.

The nearest I have got to Hughes so far this season is watching him play and, for a change, watching him jog round the Oval last week in a pair of shorts when bad light stopped play. He was not in the Australian team playing Surrey and this was a chance for him to get fit. Or at least look fit; he has started to lose the extra fat he acquired in taverns back home.

Fitness has become an article of faith in Australia, as it has with a vengeance in England, but at the same time Hughes's image is that of a large and lumbering terrorist with the ball, a man of beer and power. I doubt if his real power lies in his fitness or in his speed. Though I am sure his agent would not like me saying so, I reckon it lies in his steadiness.

He and Craig McDermott make a good, steady pair to open the Australian bowling, neither of them on the West Indian level of speed or danger. Hughes is an example of a player whose public persona has overtaken his play, though he is experienced enough not just to survive but to profit from that. At 31 he is nearing the end of his bowling career and is used to pressure, including pressure from his aggressive image, and if he falters he can always fall back on fierce antics to go with his stonewall war-paint.

England's best response, of course, would be to make him look ordinary, as Graham Hick did with his mammoth 187 against the Australians at Worcester last month. For those less blessed with the ability to hit fast bowlers for six, polite indifference is a good weapon. The English team, imprisoned in their own sad image, without a true fast bowler to their name, without a victorious series since 1990, have every reason to remember that images are only images and neither side has a top class bowling attack.

Much will depend on determination. In a way, Graham Gooch is a good man to captain England now, while Australia are flushed with confidence, because he is largely impervious to psycho-suggestion and image propa-

ganda. He does not look happy or comfortable as captain, but nor is he unduly impressed by accounts of the spinning Warne, or of Border's invincibility, especially as he knows Border from the latter's Essex summer in 1986. Mark Waugh is another old Essex Australian. Best of all, Gooch watched Hughes do a spell in the Essex second eleven, his first step on the way up to being the hairy warrior straight from the outbreak.

Warne is more of a problem because he is more of a mystery, the Australian equivalent of England's Phil Tufnell: a difficult, match-winning spinner, very hit and miss. Warne is everything young and Australian in English eyes - a blond surfer-turned-cricketer adored by sunburnt girls. In other words, at only 23 with little Test experience, he must be vulnerable as well as threatening.

The Australians are counting on their transition of new blood mixing well with their strong body of experience: Border and vice-captain Mark Taylor, who is nothing if not enduring, the prolific David Boon, the Waugh twins and Ian Healy, the next wicket-keeper.

Hughes, in his new role as the grand old man of Antipodean bowling, gave great help and comfort to Brendon Julian, the left-arm fast-medium bowler, not yet 23, in the Texaco game at Lords. Julian offers lethally swinging yorkers and wides in an assortment unpredictable to everyone, including himself. At Lords he bowled Alec Stewart an over which included three wides and three balls struck down tea and Hughes's advice and changing ends, Julian bowled his second spell: eight overs, three for 23, including the wickets of Stewart and Hick. He was made man of the match.

Border looks more tired than Gooch of providing constant encouragement for his team and makes no secret of the fact that he no longer enjoys Test cricket because it is too frantic. It certainly is. I doubt if there is much difference in ability between the two sides, though the selection of Mike Gatting, a veteran might have been, is a step to nowhere in particular and must have cheered Australian hearts.

English hearts need an enterprising attempt to get going again, especially as there is nothing to lose. Why not a faster bowler to open the attack, such as Surrey's Martin Bicknell (24) and a young, fine, left-handed batsman, such as Graham Thorpe (nearly 24), who can also break up partnerships with his occasional bowling and is a dynamic fielder?

Every team has its own focal point and I think the best one for this uncertain and undistinguished English team is the one that indicates team morale most clearly and has weakened most sadly since the good 1991 series against the West Indies: fielding. The Australian fielding on this tour has been noticeably good.

The pivotal point of fielding is wicket-keeping, which can transform a

game by plucking a wicket out of nowhere. A brilliant keeper, like Alan Knott, England's magical "Mr Punch" of the 1970s, generates optimism. There is none of the slip/keeper confusion often caused by Stewart doing his best, but not the best available, behind the stumps. Spinners toss the ball up, hungry for nicks and stumpings. Bowlers such as Andrew Cad-

dick who strive to find an edge go from strength to strength. Fielders such as Chris Lewis risk their steezing throws for run-outs and the fielding side recovers the spirit so vital to a winning performance.

It would be quite a feat to further weaken England's middle order, which is a grim decline from the days when a batsman such as Basil D'Oliv-

iera coming in at number six could swing a match. I do not believe a proper wicket-keeper would do England's unreliable five, six or seven positions any harm. Last time Australia were in England, Jack Russell was second in the English batting averages and has worked hard on his batting since then. He is cheerful. He would be an asset.

Such joy: Peter Such celebrates a wicket against Australia at Old Trafford. The off-spinner took six wickets for 67 in the first innings



Tennis/John Barrett

# Mary Joe finally has it taped

AT 3 PM on Thursday in Paris Steffi Graf regained the No.1 world ranking from Monica Seles. Regrettable as it may seem, by beating Anke Huber 6-1 6-1 in the semi-finals of the 1993 French Open, Graf fulfilled the objective of her demented fan Gunther Parche who stabbed Seles in Hamburg on April 30. Graf is as upset by the ramifications of this as everyone else and did not want to discuss the matter. "I really don't care about the number one ranking, I'm in the final in France and that is what counts to me," she said.

This afternoon 23-year-old Graf will face a new challenger for the title she has held twice before. In the second of Thursday's semi-finals the 21-year-old American, Mary Joe Fernandez, seeded five, upset the form book for the second time this week by inflicting a 6-3 6-2 beating on Spain's No. 2 seed, Arantxa Sanchez-Vicario.

Coming on top of her courageous comeback from 1-6 1-5 against the No. 3 seed Gabriela Sabatini in the quarter-finals - a marvellous match in which Fernandez saved five match points and eventually won on her fifth after three hours and 35 minutes of energy-sapping effort - this was a commendable victory for the 21-year-old Floridian. The Spaniard held a 6-1 lifetime lead against her, but you would never have guessed it. Sanchez was the one who was nervous - perhaps because she has been putting pressure on herself by telling everyone what a great player she is. After failing to cope with the clever changes of pace from a thoughtful opponent, Arantxa's upstance had come with a vengeance.

On the face of it today's final, worth £337,500 to the winner, will result in another easy win for Graf who has won 11 Grand Slam singles titles, including a Grand Slam in 1988. In the 10 previous meetings between them Fernandez won only one set. But that was in the most recent of those matches just three weeks ago in Berlin. That afternoon at the Rot-Weiss Club Fernandez won a 10-game opening set and then led 4-2 in the second before losing it 6-4. She broke serve twice to build a 3-0 lead in the decider, too, before losing the last six games.

Graf remembers that occasion. "Yes, it was a really long, tough match. And against Sabatini here she was going a lot for the lines and doing it very well... she really stepped into the ball. At the moment she shows a lot of confidence... she's definitely improved in the last half year. The key this time will probably be my patience and to come in at the right moments."

Patience is an elusive quality on the slow, red clay. The temptation to go for winners too soon has destroyed many

fine players. But after two years of uncertainty Graf has looked admirably composed again here and, except for the odd patch of waywardness on her match-winning forehand, seems to be back to her best. After all, she has yet to lose a set and has dropped only 33 games in six matches, an average of 2.75 per set.

And yet... and yet... Even the hottest favourites sometimes lose - and I apologise to those of you who backed Teaty on Wednesday for reopening so recent a wound.

Harold Solomon is one who thinks that it may happen this afternoon. But, then, you would expect him to because Harold has been coaching Mary Joe for the past year and a half. He has done a fine job too, helping her to build her physique with regular gym sessions and track work when she has not been competing. Moreover - and this amuses me no end - Harold has been teaching Mary Joe to volley.

Harold was one of life's great baseline workhorses who could never have found the net even with a qualified guide and an armed guard. But he has improved that aspect of Mary Joe's game. Her unexpected volleying coups were partly responsible for her crushing victory over Sanchez. She smashed well, too, and even appeared to enjoy being in the forefront. You could never have accused her of that during the Australian Open in January.

"I've seen a tremendous change in her these two weeks," claims Harold. "When we started working together I told her I thought it would take three years for her to overtake the top three and win a Grand Slam. I have just revised that view. I believe she's ready now."

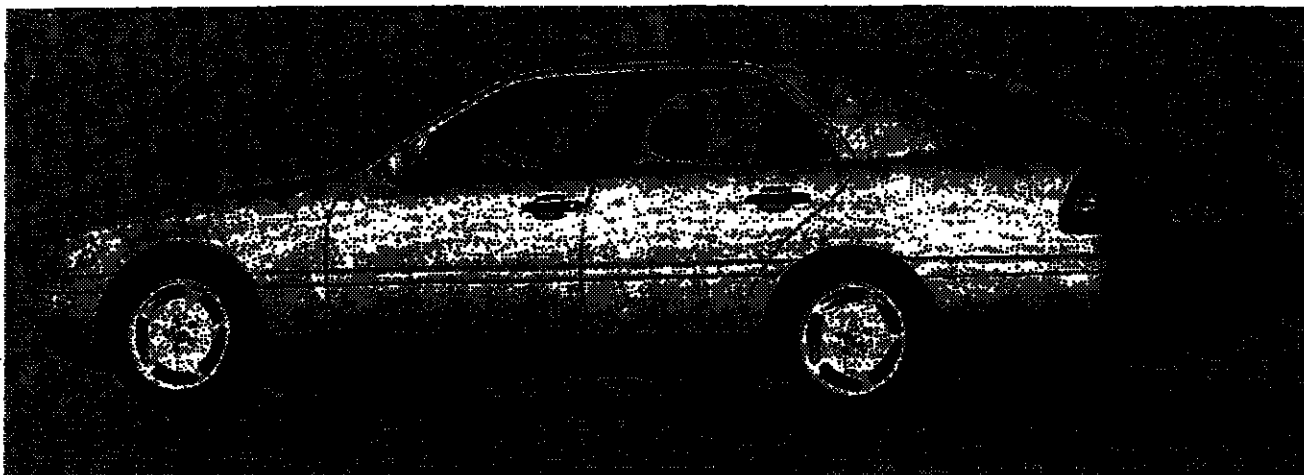
"Clay has never been her favourite surface but suddenly she is attacking on it. The match against Sabatini was responsible for that. She was so far out of it that the only thing left was to have a swing. She's been banging that forehand ever since."

"We've watched that match several times on tape and it has transformed her belief. She has suddenly realised that she can beat any of the girls and that is what no-one can teach you. It was to come from within." How true. I hope that yesterday Harold had the sense to sit Fernandez down beside the TV set to watch the replay of her win against Sanchez-Vicario. That would have reinforced belief marvellously.

I hope Steffi was also wise enough to watch that tape to see just what she will be up against this afternoon. If she did she will know that only her best will be good enough. For the world No.1 that should be no problem. And yet...

Motoring/Stuart Marshall

# Mercedes jazzes up its act



The C-Class Mercedes-Benz: a sleeker, roomier 180 replacement with more appeal to men and women still on their way up

LIKE AN ageing entertainer in search of a new audience, Mercedes-Benz is changing its act.

For at least 50 years, its cars have been a byword for quality. I would settle for one as my personal car in preference to any other if only I could afford to. The company's solid conservatism is rooted in the best engineering practice. Mercedes shrug off very high mileage while continuing to perform like new cars. There is a strong "feel good" factor when you drive behind the three-pointed star. At least, there is for me. Bernard Shaw hit the nail on the head when he said that youth was a wonderful thing and far too good to be wasted on young people, but let that pass. Car makers have to live in the real world.

While Mercedes-Benz is happy to have a large and loyal band of mature customers it knows it must attract younger buyers, not just their parents and employers.

The car it hopes will do the trick is the new C-Class, successor to the small - the term is relative - Mercedes-Benz 190 of which more than 2m have been sold in the last ten years.

C-Class is a little longer than the 190, considerably roomier within and sleeker without. For at least two years it will be offered only as a 4-door saloon, though an educated guess suggests estate cars and 2-door coupes will follow by 1996.

## MOTORS

**JEEP-YES - A REAL CJB 4X4.** Economical 2.4 litre ISUZU diesel engine. Hard top with option of soft top. 70,000 km. Immediate conditions. Spacious vehicle. Ideal for exploring the outback. To be picked up in Perth, Western Australia. Only \$4,000. For further details ring 0420 23341 or 030 981 2195.

**SAAB IN WARWICKSHIRE** The full range of new Saabs and probably the largest selection of superior used Saabs in the Midlands. Line Garage Ltd, Royal Leamington Spa. Tel: 0256 423221.

There are seven four-valve-per-cylinder engines. Three of the petrol engines (1.8, 2.0 and 2.2-litre) and two diesels (2.0 and 2.1 litre) have four cylinders. There is a 2.5-litre, five-cylinder diesel and the flagship C-Class models have a 2.8-litre in-line six-cylinder petrol engine.

Mercedes-Benz contemplated following the hard and giving its new compact car front wheel drive. But it decided the space-saving advantages were not great enough to justify this break with tradition. When, as seems probable, it launches a V6 Golf-sized car later in the decade, this will be front-wheel driven.

There is nothing radical about the design of the C-Class; it is an extension of the philosophy that has served Mercedes-Benz so well. True, the front suspension is new and the 18-valve and 20-valve diesels are the first of their kind. The

important changes are marketing, not engineering, led.

The styling is smoother, more rounded and, except from the front, less typically Mercedes-Benz. In a bid to broaden the customer base, four distinct versions of every C-Class car are being offered: standard, Esprit, Elegance and Sport. Standard models have plain, understated interiors. I found the two-tone trim of some Esprit and Sport models rather brash but Mercedes-Benz believes young buyers will approve. The smartest Elegance versions will appeal to owners of the larger 300-320 Mercedes-Benz (now to be called E-Class) wishing to trade down to a smaller car. Even the standard models come with a driver airbag, ABS brakes and power steering.

Last week, in the sweltering Swabian Alps, I sampled four of the new cars - a C 180 petrol and C 220 diesel with five-speed

manual gears, a C 250 diesel and C 280 with the optional four-speed automatic.

The billiard-table roads were no test of the suspension's ability to make the rough feel smooth. But their sharp gradients and serpentine curves showed handling and roadholding to be even better than the 190's - particularly so in the case of the nose-heavy five-cylinder diesel and six-cylinder petrol versions.

The C 180 ran sweetly at 190 kmh (118 mph) on the autobahn, pulled hard in fifth gear from under 50 kmh (31 mph) and seemed to enjoy hard driving on switchback roads as much as I did.

Lacking turbochargers, the four-valve diesels felt urbane rather than urgent though the autobahn as quietly and effortlessly as the petrol-engined cars. (I have to say that for sheer performance com-

pared with refinement, the six-cylinder BMW 325td and 525td are ahead of the executive-class diesel pack).

The C 280 automatic felt as secure as a majestic Mercedes-Benz S-Class when I drove it through a downpour on the autobahn. A ride in the back confirmed the C-Class really is more rear-passenger friendly than the 190.

When left-hand drive C-Class cars go on sale in two weeks, they will cost about the same as the 190s they replace. Right-hand drive prices will not be known until the British launch this autumn. Mercedes-Benz UK will be juggling with a strong D-mark in one hand and next year's list price-based company car tax bands in the other.

It knows that if the C-Class is to seduce younger drivers away from their BMWs and Audis, the prices cannot be too far out of line.

## The best way to a man's stomach ... ExerSkier.

### "The World's Best Aerobic Exerciser."

Only ExerSkier has the U.S. and German patented flywheel and one-way clutch mechanism to accurately simulate the motion of cross-country skiing, which most experts agree is the most efficient and effective aerobic exercise.

An ExerSkier workout burns more fat in less time than ordinary exercise machines. And it burns up to 1,100 calories per hour, according to research.

30-day in-home trial!



ExerSkier strengthens the heart, tones muscles and improves stamina. And it is much less stressful on the body than running and other high-impact sports.

And, unlike most in-home exercisers, ExerSkier works all the major muscle groups of the body including the arms, legs, buttocks, shoulders and yes, even the abdomen.

So what are you waiting for? Call today!

2-year guarantee!

**ExerSkier**  
by NordicTrack  
Total-Body-Fitness

Call our FitnessLine™ 0800 616179 Ext. FT1F3

M-F 8 AM to 8 PM, Sat. 9 AM to 4 PM

or write for a FREE Brochure and Video!

☐ Please send me a FREE brochure

☐ Also a FREE video

Name \_\_\_\_\_

Address \_\_\_\_\_

Post Code \_\_\_\_\_

Telephone ( ) \_\_\_\_\_ FT1F3

Send to: NordicTrack (UK) Ltd., Dept. FT1F3  
3 Collins Road • Heathcote Industrial Estate  
Warwick • CV34 6TF

Tel: 0926 130090 • Fax: 0926 170811

**ExerSkier**  
by NordicTrack  
Total-Body-Fitness

Not a mail order solicitation, rather an application for a brochure. ©1993 NordicTrack (UK) Ltd. All rights reserved.







BOOKS

# The Sitwell with an inferiority complex

Anthony Curtis on a candid new biography of Sir Sacheverell

**A**LTHOUGH the Sitwell trio were extremely close in childhood, and remained on terms of endearment even when they quarrelled as adults, Sir Sacheverell - he inherited the baronetcy after Osbert's death in 1969 - always suffered from a sense of being upstaged as a writer by his older brother and sister. Therefore, it is somewhat ironic that this biography of Sacheverell, based on family papers not hitherto available, should appear on the same day as a re-issue of the *Collected Poems* of his sister Edith.

The last edition of Sacheverell's *Collected Poems* was in 1986. Does anyone read any of his poems (he wrote a great many) now? When Philip Larkin came to compile *The Oxford Book of Twentieth Century Verse* in 1973, he included four poems of Edith's, and one of Osbert's, but none by Sacheverell.

Sacheverell was still at Eton when all three Sitwells sprang to notoriety as poets. This was in *Wheels*, an anthology edited by Edith in 1916 and designed as a counter-attack on Marsh's *Georgian Poetry*; Sacheverell's contribution was a 20-line poem in free verse.

During a spell in the army, and an abortive Oxford career at Balliol after the war, he continued to publish poetry in subsequent editions of *Wheels* and brought out a slim volume of verse of his own, *The People's Palace*, which was praised by T.S. Eliot.

Sacheverell and Osbert were then sharing a London flat in Chelsea and were part of a post-war arty set that included Harold Acton, Brian Howard, Siegfried Sassoon, Gerald Berners, Cecil Beaton, Stephen Tennant, Anthony Powell, Raymond Mortimer, Peter Quennell, Arthur Waley and, from a different background, William Walton, whom the Sitwells adopted.

It was Edith's poem-sequence "Façade" that brought this phase to its climax. Sacheverell suggested it be set to music by Walton and the first private performance, with the poems spoken through megaphones, was given in the brothers' flat on January 24 1922.

A vociferous anti-Sitwell backlash from various quarters - notably those of Noel Coward, Geoffrey Grigson and F.R. Leavis

- greeted their antics. It was said the Sitwells' activities belonged to the history not of poetry but of publicity and it was perfectly true that, by their striking appearance and love of battle, they kept modern poetry in the public eye well into world war two.

There was, however, a rift within the symbiotic pattern of the trio's stormy relations, both among themselves and with their parents, Lady Ida and the formidable Sir George, that gives this biography its rather sad fascination. Bradford presents us with all the relevant facts about what resembled a large, ugly fissure in an otherwise exquisitely homogeneous marble statue. Her book amplifies greatly the account given by Victoria Glendinning in

**SACHEVERELL SITWELL: SPLENDOURS AND MISERIES**  
by Sarah Bradford

Sinclair-Stevenson £20, 486 pages

**EDITH SITWELL: COLLECTED POEMS**

Sinclair-Stevenson £25, 444 pages

her life of Edith and that of John Pearson in *Poetries*, an extended gloss on Osbert's magisterial volumes of autobiography, *Left Hand, Right Hand*. Pearson dealt with the trauma Sacheverell suffered at Eton during his mother's trial and imprisonment for financial crime. In Sacheverell's long life, during which he would publish volumes of *belles-lettres*, connoisseurship and travel writing, there were many more traumas to come.

Being the younger son, he was two sets of heartbeats away from not merely the title but, more pertinently, the family's Trust money. Sir George ("Ginger") squandered large sums and was cheated by his financial advisers of lots more. Although extravagant personally, he was always extremely tight-fisted when requested to disburse any funds to his offspring. This fiscal constraint occurred again - as far as Sacheverell was concerned - when Osbert took over. Bradford, an historian by training - with previous biographies of Cesare Borgia and Disraeli under her belt - keeps us well informed of all the intricate Sitwellian financial wheeling and dealing.

Sacheverell's emotional investments were just as complicated and far-reaching. The great one was Georgia Dobie, a Canadian beauty from Montreal whom he married in Paris in 1925. "Ginger" did open the purse strings for once and bought Weston Hall, Northamptonshire, for the couple; they lived there for the rest of their lives, interrupted by frequent forays abroad.

But Georgia was never accepted truly by the family, especially not by Osbert, and the fissure began to widen. In spite of Georgia's many love affairs after marriage, all enumerated dutifully by Bradford, and Sacheverell's stolidly intense extra-curricular passions, the marriage lasted until her death in 1960; the couple remained devoted to each other, more or less.

None of the trio ever really got over childhood. Memories of golden summer days at Benishaw inspired all three Sitwells to put nostalgic pen to paper, as in Edith's celebrated poem, "Colonel Fanstock." She wrote: "Dagobert, Peregrine and I were children then..."

Peregrine's - Sacheverell's - most cherished childhood memory of the colonial in that poem (or rather as he was in real life, Major A.B. Brockwell, their tutor) was set down in his autobiographical fantasy *All Summer in a Day*.

Just as memorable to him were the pierrots that used to perform regularly on the sands at Scarborough, then in its heyday as a spa. When grown-up, Sacheverell was a great authority on Pierrot and the characters of the Italian comedy from which that character derives. Sacheverell adopted two of them as his and Georgia's private emblems. He wrote beautiful passages on those Harlequin and Columbine figures in porcelain fashioned by such craftsmen as Kändler and Bustelli.

These drawing-room objects were described in minute detail with the same infectious lightly-worn erudition he deployed to re-create the towering splendours of Spanish and German baroque in his best-known books. To his dozens of devoted friends, Sacheverell would seem to have exuded both the pathos and the charm of Harlequin.

For Sitwell fans, and for historians of the morals of the great and the good, this book is essential reading. Others may experience *longueurs*.



## Blood-stained trail to Tiananmen

Four years after the massacre, Susan Whitfield looks at the continuing battle for democracy in China

**I**N 1979, Deng Xiaoping remarked that "the world did nothing" when Wei Jingsheng, having demanded democracy in China, was sentenced to 15 years imprisonment. A decade later, international opinion was again put to the test as the tanks rolled into Beijing in June 1989 and thousands were killed, imprisoned and executed. The intellectuals who received the longest sentences, 13 years each, were Chen Ziming and Wang Jintao.

As students in 1979, they had stood alongside Wei Jingsheng at Democracy Wall. They condemned his sentence but did not agree with his demands, calling instead for reform within the Communist party. Later, as a self-proclaimed elite, they formed a think-tank which professed advice throughout Deng Xiaoping's decade of economic reform.

"To win the minds of the people," they argued, "the government must

first win the minds of we intellectuals." Democracy was not part of their plans: "the people are at too low a level."

After the massacre in 1989, they were convenient scapegoats for a government concerned to blame the events on the machinations of a few "black hands." Unlike others, they had not managed to escape following the massacre - and they were veteran dissidents. But George Black and Robin Munro in their informative book show that, in spite of Chen and Wang's own sense of importance, they were peripheral both to the students' occupation of Tiananmen Square and to the government's response.

Workers, largely shunned by the students who refused them access to the square proper, played a vital role. After the massacre they received the harshest treatment and, while most students have now been released, numerous workers are still trapped within the vast Chinese gulag and prison system. Perhaps this is because - like Wei Jingsheng in 1979 - they have consistently had the clearer vision about the lack of legitimacy of their government.

Students, the future generation of leaders, have largely followed Wang and Chen in calling for reform rather than the end of the party dictatorship. *Black Hands* also fol-

**BLACK HANDS OF BEIJING**  
by George Black and Robin Munro

John Wiley £15.95, 400 pages

**QUELLING THE PEOPLE**  
by Timothy Brook

Oxford £17.95, 265 pages

lows Han Dongfang, a worker charged with "counter-revolutionary incitement" but released last year and now in the US.

Unfortunately, the authors fail in their attempt to set up Chen and Wang as China's Sakharovs and

Han as a Lech Walesa: it is the figures on the periphery of the story who arouse the most interest. Moreover, the book prompts many unasked questions. Why, in spite of their keen sense of history, did few of the intellectuals remember Wei Jingsheng? Why did they believe that Deng - "the needle wrapped in cotton wool" - would not resort to violence? Maybe the students were like "the newborn calf who does not fear the tiger," but the older intellectuals' continued faith in Deng needs explaining.

In *Quelling The People*, Timothy Brook argues that China's leaders intended to use force from an early stage in the demonstrations should

intimidation fail. Brook follows the deployment of troops from mid-May before the declaration of martial law, the first abortive attempt to move soldiers into Beijing, and the massacre of June 3 and 4 when the army encountered resistance on its second attempt.

This is an admirably well-researched book, based mainly on interviews and suitably wary about the evidence - "no one lies like an eye-witness." It is also timely: Brook observes that unrelenting propaganda has forced some in China to accept the government's version of events, notably the low casualty figures and the argument that the soldiers were provoked.

Dismayingly, this view also has its adherents in the West. The media aided this propaganda unwittingly by concentrating on the students and on Tiananmen Square. It is uncertain whether any students were killed in the square itself on June 4. There is no doubt however, as Brook shows, that more than 1,000 people - and probably nearer 3,000 - were killed by the army on the approaches to the square.

Several years after the events, there are still gaps in our knowledge. Claims in a recent book that the shooting was ordered without the knowledge of Deng, or that the CIA masterminded the escape route, are not addressed in these works.

The courage and commitment of Chen Ziming, Wang Jintao and the many others now spending their fourth year in prison is not in doubt. Whether they have the charisma to concentrate the chameleon sympathies of the west on the plight of China is less certain.

## Araby under fire

**K**ANAN Makiya's principal contention is, as he says, very simple: "The politics of keeping silent over escalating cruelties inside the Arab world, cruelties inflicted for the most part by one Arab on another, is principally responsible for an Arab moral collapse which has today reached epidemic proportions."

The silence which he so condemns is that of his fellow Arab intellectuals - men, he argues, who were flushed out from under their protective stones by Saddam Hussein's invasion of Kuwait and forced to show themselves.

"The whole apparatus of evasion and hiding behind sophisticated veils was laid bare," he declares.

Born in Baghdad but educated in the US, Makiya writes from the moral high ground. His earlier book, produced protectively under the name of

Samir al-Khalil, revealed something of the nature of Saddam's regime but was little noticed until the invasion of Kuwait.

What the book did reveal was, he says, ignored almost totally by those Arab writers who sought to locate Iraq's aggression in the wider pan-Arab context and in terms of the West's continued manipulation of the Middle East for its own imperial and economic interests. Their attempts to transfer the blame for Saddam's actions onto the West and the Arab-Israeli dispute enraged Makiya. "Their relentless wallowing in illusion filled me with anger."

The reality - first-hand accounts of the brutality of the Ba'athist regime in Baghdad,

particularly towards the Kurds in 1988 and subsequently to the southern Shia - takes up the first half of the latest book. Much of the remainder is devoted to denunciations of

**CRUELTY AND SILENCE: WAR, TYRANNY, UPRISING AND THE ARAB WORLD**  
by Kanan Makiya

Jonathan Cape £18.99, 240 pages

individual Arab writers, many living in the West, who are accused of moral bankruptcy and falling through their silence to aid the Arabs who are "trapped inside the oppressive countries of the Middle

East." The author's anger is focused so finely, his primary targets defined so narrowly, that the wider issues raised by the book risk being obscured by personal antagonisms.

Governments, almost certainly, bear much greater responsibility. No western foreign ministry was unaware of how Saddam Hussein maintained his grip on Iraq. The atrocities committed before the invasion of Kuwait were known, if not their full horror. But in the interests of maintaining a bulwark against the Islamic revolution in Iran and selling into a profitable market, it was convenient politically to overlook them. The same considerations apply today, and not just in the Middle East.

Perhaps there has been a glaring, collective failure of the Arab intelligentsia as Makiya asserts. But, if so, it is just one element in a much greater international failure. There is no better example than Burma. The people there actually voted massively for democracy, but the regime which denied them so viciously is being allowed to tuck its way back into the international community.

It is a sobering lesson for those Arab populations of the Middle East who, in their desperation, are being tempted to see radical Islamic factions as an alternative to politically bankrupt leadership. Switching the full beam of the Arab intellectual spotlight on those regimes would help - but only if there are more powerful people who wish to see what is revealed.

Roger Matthews

## Judging the judges

**I**T IS unfortunate that this book did not appear earlier. Telford Taylor, a lawyer and historian whose *Manich* (1979) remains the most exhaustive treatment of that fateful conference, was a member of the American prosecuting team at the Nuremberg trials in 1945-6.

Repetition has dulled the impact of the revelations which shocked the Nuremberg judges, who viewed the first showing of the concentration camp films. But such moments of high drama were rare. The actual proceedings were tedious and repetitive, and Taylor's judicious and measured approach to his subject further deadens whatever sense of drama might be derived from an insider's view of what was, after all, an extraordinary occasion. For Nuremberg broke new legal grounds, and the precedents set in trying "crimes against peace" and "crimes against humanity" were debated fiercely during the Vietnam war and are pertinent to the conflicts in Kuwait and Yugoslavia.

Taylor is at his best when discussing the background to the trials, and the in-fighting and personal vendettas among the Allied representatives. Nuremberg was very much an American show. It was they who wanted the trial. The British, recalling the fiasco of the post-first world war trials, favoured summary execution of a selected list of Nazi war criminals. Twenty-three American lawyers addressed the tribunal, more than twice the combined British and French legal teams and more than twice the number of Soviet jurists.

Supreme Court justice Robert Jackson, the American

chief counsel for war crimes, was instrumental in setting the terms of the indictment and primarily responsible for making the charge of conspiracy to plan and wage aggressive war the centre of his case. In this rather hostile portrait, only Jackson's passionate and eloquent statement, the unique and necessary reminder of the moral dimensions of the trials, compensated for the justice's administrative incapacities and poor showing as his country's chief prosecutor. Jackson's bungled cross-examination of the unrepentant Goering allowed the court's most important defendant ample

**THE ANATOMY OF THE NUREMBERG TRIALS**  
by Telford Taylor

Picador £25, 703 pages

opportunity to outwit his interrogator.

Taylor has thought hard about what was done and accomplished at Nuremberg but is cautious in his judgments. He has reservations about the way the defendants were selected and, in some instances, sentenced. With most of the major surviving Nazi leaders in their countrymen's hands, neither Sir Hartley Shawcross nor Jackson paid sufficient attention to their better-informed advisers as to who should stand trial.

Taylor underlines the gap between the western and Soviet conceptions of justice, yet admits it probably had only a limited effect on the verdicts. It was somewhat ironic that it should have been Soviet prosecutors who, along with the French, concentrated on "crimes against humanity" and insisted on including the

Katyn massacres in the indictment as a German war crime. It was left to the Soviets to present the evidence of the Nazi persecution of the Jews and the mass executions in the death camps of Poland. The French prosecutor made only a passing reference to the Jewish question while the Americans and British concentrated exclusively on crimes against the peace.

Although troubled by the *ex post facto* nature of this latter category of charges, the grounds for convicting 12 of the 24 defendants, Taylor argues that Nuremberg has established the criminality of initiating aggressive wars and has provided the legal basis for present and future national and international action. One wishes that this general question had been explored more fully. The Nuremberg trials were, above all, trials of the defeated by the victors, some of whom were not entirely guiltless of war crimes in the Nuremberg sense.

One can understand why the Allies should have wanted to bring the Nazi criminals to justice. It is harder to establish how far these trials actually advanced international law. Many historians and legal theorists have judged what was done at Nuremberg in far harsher terms than suggested here. It is surely not without significance that, in spite of repeated violations of the Nuremberg principles since 1946, no similar new international tribunal has been created. Readers deserve a more persuasive conclusion than Taylor's.

Zara Steiner

■ MORE BOOKS PAGE XVII

## Life's dark mystery

**A**NY SHORTLIST of the world's best popular science writers must include John Gribbin. His gift lies not just in eloquent and lucid presentation of complicated ideas, but in writing about them as if they were adventures. From the first page of one of his tours of the universe the reader is gripped. He does not disguise the sometimes bizarre character of scientific theory, rather, he relishes it. And he passes on his enthusiasm to his readers.

But Gribbin is not just an explainer, he is also a hypothesiser. More than 20 years ago, in an editorial in the science journal *Nature*, he made a seemed wildly speculative but which has gained plausibility. It is that our universe occupies what astrophysicists call a "black hole." Now he has elaborated this idea, suggesting that our universe is a living

entity, born from other universes and itself the progenitor of more. His book gives the background science needed to explain and support this idea.

According to present theory, the Big Bang happened about 15bn years ago. Ever since then, the universe has been expanding. Everywhere one looks in the sky, galaxies are flying away; the further off they are, the faster they are receding.

Among the puzzles of the Big Bang is this: how, if the universe has expanded smoothly from its initial fireball, did stars and galaxies form? Inspection of the Big Bang's left-over traces of radiation in space suggested at first that all matter in the universe should be spread out evenly. Yet, the universe is "lumpy"; visible

matter has aggregated into stars and galaxies, with what seem like vast tracts of space between. How did this happen?

The answer, devised within the past decade, is that visible matter (the stars and galaxies) represents only 1 per cent of the true mass of the universe;

**IN THE BEGINNING**  
by John Gribbin

Viking £16.99, 274 pages

the rest consists of what physicists call "dark matter." This mysterious stuff was not detected by experiment but is demanded by the mathematics of cosmology.

One prediction by "dark matter" theorists was that there should be irregularities in the

universe's faint background radiation left over by the Big Bang. In April 1992, Cosmic Background Explorer, a satellite launched to look for traces of the Big Bang, detected these ripples. They explain not just the lumpiness of visible matter, but also its very existence.

To the COBE discoveries, Gribbin adds ideas from biology. Using the idea that life is a complex process of self-replication, evolution, and interaction, he suggests that just as Earth can be considered a single living system (the "Gaia" idea), so can a galaxy and even the universe itself.

Gribbin suggests that our own universe might have been born from a black hole in a different, earlier universe. Theories about what happened in the first split seconds after the

Big Bang allow that an entire universe can appear from nothing; a "quantum fluctuation" in the vacuum can be, as physicists describe it, "the ultimate free lunch." Similarly, the "singularity" of a black hole can generate a new "baby universe," possibly different from its progenitor and thus evolving beyond it. Perhaps, Gribbin speculates, a universe containing life, like our own, had to evolve from many other more primitive forebears.

These speculations are exotic and sound fanciful; that, though, is characteristic of the frontiers of science. I think Gribbin stretches the concept of life in directions it does not go happily and makes too much of some guesses in science. But, in the process of advancing his intriguing speculations, he recounts a great deal of up-to-date science very readably indeed.

Anthony Grayling



## PROPERTY

# Looking for the good life beyond Chianti-shire

Italy has many attractions for the second home-buyer. But, says Haig Simonian, the head must still rule the heart

**K**EATS, Byron and Shelley have a lot to answer for. So do Goethe, Gregorovius and an army of German, French and Swiss writers, travellers and poets who elevated the cultural pilgrimage to Italy into a model for enlightenment.

Their writings opened the gates to a flood of foreigners, for whom Italy represents all that is best in culture, architecture, food or just sun and society.

While many pass through, some prefer to linger, strengthening their bonds by buying a piece of Italy they can call their own. Whether just for holidays or more permanently for retirement, Italy's language, climate and lifestyle have created a community of expatriates from Trondheim to Torquay, Sydney to San Francisco.

But owning a second home is often a case of the heart ruling the head. While the concept may be unquestionable, practicalities and execution can leave much to be desired. For an unlucky few, a dream can turn into a nightmare.

Take the Zurich businessman so entranced by the Chianti region between Florence and Siena that he decided to run his company partly from there. One beautifully converted farmhouse, swimming pool and manicured garden later, the property is for sale. Even an autostrada-eating sports car and the sort of serious money that does not worry about leaving a house uncoupled have not compensated for a basic misjudgment.

So the first lesson must be: do you really want to buy, or might it be better to rent? The financial arguments for buying have declined as prices in popular areas around Siena or the walled city of Lucca have soared, making ownership prohibitive for many.

That is certainly the case in Chianti-shire, an area of rolling hills, vineyards and olive trees renamed

for its large expatriate community. Many who bought dilapidated farmhouses for a song during the rural depopulation of the 1960s and early 1970s have made a killing.

Buying today is much pricier. Among properties currently on the market are beautifully-restored farmhouses, in grounds and with pools, such as Monticello (on offer from the UK-based Italian Property Portfolio for just under £300,000) or Casalevento (on sale via Lucca-based Villaman for £550,000).

While that represents an astronomical leap from 20 years ago, the market has flattened, if not fallen, under recession in the 1990s. Even in Chianti-shire, where the stock of property is severely limited by prohibitive planning laws and Italian buyers are taking up some slack, there is now a relatively large choice of property against uncommonly weak demand.

**T**hose with more modest budgets must scale down or look further afield. Small terraced town houses, without gardens, can be had even in Chianti or around Lucca - almost as expensive - for as little as £50,000. Bigger places can be found for about double that, provided the buyer is prepared to stump up for restoration, which Michael Goodall, an expatriate Brit based in San Gimignano, calculates at about £1.5m (£550 per square metre more).

Rising prices in Tuscany led to an upsurge of interest in Umbria in the late 1980s, the region lying south-east and known for attractive towns such as Perugia and Assisi. Umbrian prices soared as buyers expanded their horizons. But here, too, the market is now flat at best, while the relative cheapness compared with Tuscany must be measured against greater distances from northern Europe and less convenient airports.

Although the British have tended

to concentrate on Tuscany and Umbria, they are by no means the only parts of Italy that appeal to foreigners.

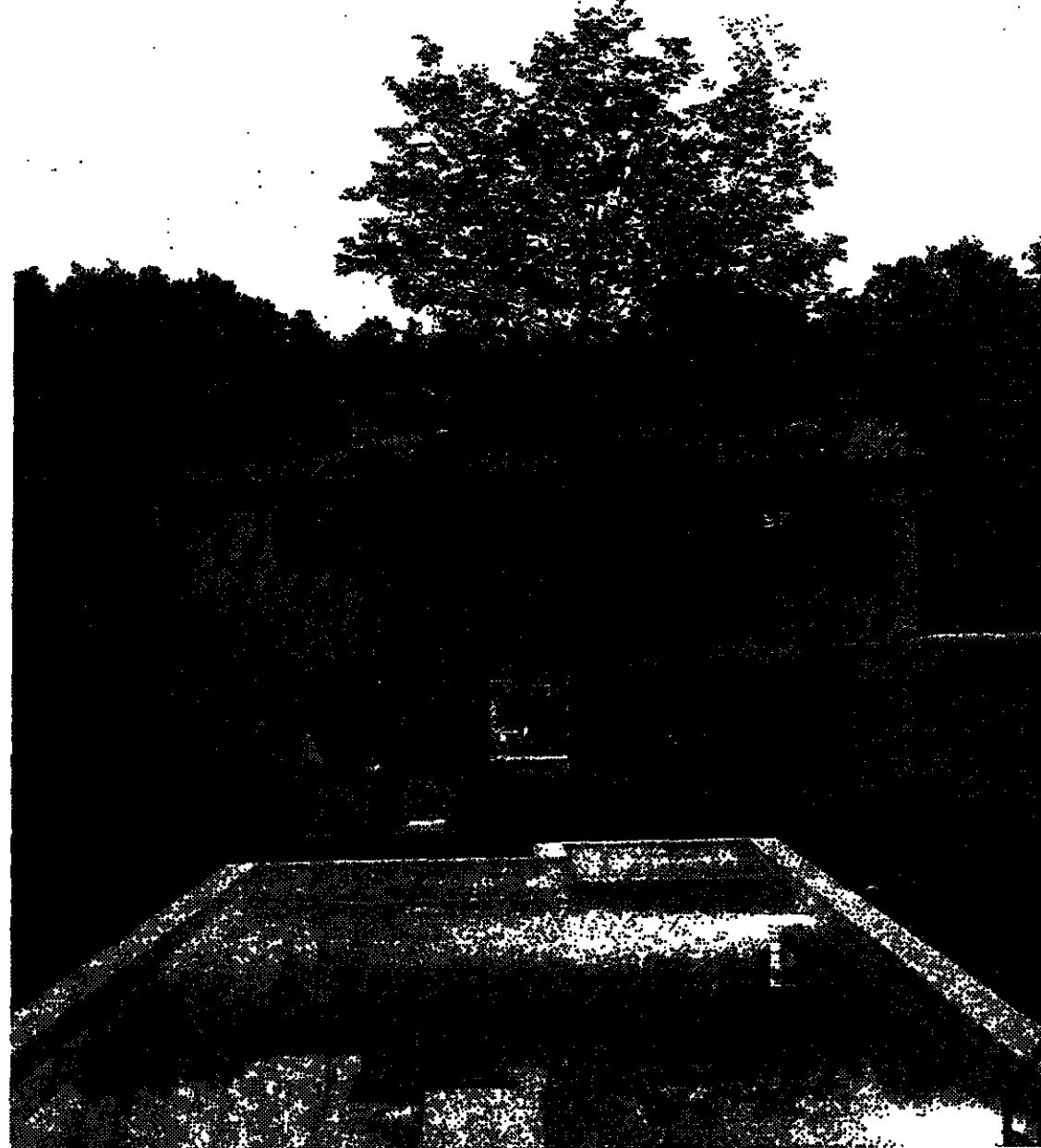
The northern lakes such as Como and Maggiore are coming out of the doldrums. Living on the lakes or the slopes above has always attracted the Germans and Swiss: Frankfurt to Como is five hours by car, making even long weekends possible. After being spurned as "old-fashioned" 10 years ago, lake-side property has regained popularity among the Italians.

But whatever the effect of local blips in the market, buyers should not be motivated by making money from a second home. Asking prices are relatively high; the market is mature; and the days of sharp speculative gains are probably over.

The rationale should be different. Says Sandy Christie, a British information technology executive now working in Milan, who bought a house near Lucca in the early 1970s: "I'd saved money after working two years in Iran. The question was, should I buy an E-type Jaguar or something else. I didn't really know what I was doing and I spent what I thought I could afford to lose."

The "something else" was a farmhouse in four hectares, transformed over the years into an attractive holiday home with pool. Christie has no regrets about his investment. "With the benefit of hindsight, we've probably been over-charged right down the line. It's all been highly unprofessional, but it's worked out well."

Having decided to go ahead, how do you start? For those, such as the British, used to a relatively standardised property market based on relatively transparent rules, clear fee structures and marketing-conscious intermediaries, matters will come as a shock. There are no big estate agents, and, for property outside the cities, the "agent" is likely to be a one-man band with a limited



Monticello, a restored farmhouse in Tuscany, is for sale at nearly £300,000 through The Italian Property Portfolio

range in a restricted area.

Such fragmentation means vendors seldom give agents sole instructions. That can save time when it comes to looking, as one agent may know about much of the property available locally. But it can also lead to confusion - and risk - once a choice has been made, as others may be negotiating for the same house through different intermediaries.

While many agents, notably some of the established expatriates, are knowledgeable and reliable, some locally-based foreign buyers who have the language avoid agents

altogether. That eliminates commission, which differs locally but can reach 3 per cent from both sides.

Do-it-yourselfers in Lombardy begin with *Secondamano*, a five-days-a-week listings paper, advertising various goods for sale. Other regions have differently-named equivalents.

More specialised and up-market publications worth consulting are *Dove*, a glossy travel monthly and *Casa Bella*, a decorating and interiors publication. Some British agents operating out of Italy advertise in the *Sunday Times*, the *Financial Times* or the *International Herald*

*Tribune*. Brian A French & Associates, a London-based estate agency specialising in Italy, even publishes *Belle Case*, its own magazine.

Having time on one's side helps. Paul and Luann Erickson, an expatriate American couple based in Milan, decided to escape the city's pollution and lack of public spaces when their first child was born. "After ruling out the Riviera on coast grounds, we decided to look at the lakes." Going through *Secondamano* led them to a hamlet above Lake Como, where they bought a semi-detached three-storey house four years ago.

The legal side of property purchasing can be a minefield, with conflicting ground plans and land claims stretching back years. A concise guide is: find a local surveyor (geometra) or lawyer to make the necessary searches and take the trouble to do things properly from the start to avoid difficulties when it comes to selling. Legal fees and taxes will add 10 to 15 per cent to the purchase price. The declared contract price sometimes bears little relation to the actual purchase price, as money often passes under the counter.

**O**nce the formalities are over, what do people do with their homes which they are not there? The risks of burglary or accidental damage should not be exaggerated, but are real nonetheless. "We recommend installing an alarm, ideally linked to the local police station," says Bill Thomson, whose Chianti Estates Management Company renovates and supervises properties as well as selling them.

In many cases, buyers will ease the burden of vacant property - and possible mortgage costs - by renting for part of the year. For the British, rentals tend to be done either privately through adverts in magazines such as *The Lady*, newspapers such as *The Guardian*, or through UK-based specialists.

Many of the Italy-based expatriates doubling as estate agents also offer supervisory and rental services. A familiar voice at the end of a phone can be reassuring for distant owners, even if some of them tend to abuse the relationship. "Sometimes, you get called from people at a dinner party on a portable phone who just want to show off to their friends," says one Tuscany-based Brit.

Supervision charges differ sharply. Lucca-based Masterman has an hourly fee structure; or alternatively negotiates longer-term arrangements. Thomson, based in Gaiole in Chianti, also prefers to agree a yearly contract covering regular visits and crisis-management.

**Contacts:** UK: The Italian Property Portfolio, 0263-961108; Brian A French, 071-294-0114; Italy: Villaman, 0583-406366; Chianti Estates Management, fax 0577-731121; Michael Goodall, 0677-941703.

## Correction

IN THE issue of May 22, it was wrongly stated that three properties, one near Scunthorpe and the others near Grantham, were being sold by Jas Brown. The agent is Jas Martin.

## COUNTRY PROPERTY

### SAVILLS INTERNATIONAL

**ABERDEENSHIRE 300 ACRES**  
Inverurie 5 miles, Aberdeen 16 miles.  
**CLASSIC SMALL ESTATE WITH PERIOD HOUSE AND ITS OWN SALMON FISHING**  
Manor House: 6 reception rooms, 10 bedrooms, 4 bathrooms with 20 acres, 3 cottages.  
1.48 let acres farmland producing £4,000 pa.  
147 acres woodland, 1.6 miles salmon fishing on River Don averaging 40 salmon.  
For Sale as a Whole or in 4 lots  
Savills: Edinburgh (031) 226 6961  
Contact: Jamie Burges-Lumsden

INTERNATIONAL PROPERTY CONSULTANTS

### SAVILLS INTERNATIONAL

**HERTFORDSHIRE 761 ACRES**  
Much Hadham 4 miles, Central London 34 miles.  
**The Great Herwick Manor Estate**  
AGRICULTURAL & SPORTING ESTATE WITH EXCEPTIONAL ACCESS TO CENTRAL LONDON.  
16th C. Grade II\* Manor House, guest annex.  
Secondary house, 3 cottages. Traditional barns with planning permission. Productive & easily run farm.  
High quality shoot, 1.75 miles of fishing.  
Savills: London (071) 499 8644  
Contact: Justin Marking or Adrian Davis Thornhill.

INTERNATIONAL PROPERTY CONSULTANTS

### RARE HOUSE OVERLOOKING LAKE

Italianate view fully exploited by balconies, terraces, patios.  
2 1/2 acres. Total seclusion (noisy owl) in natural airport 10 mins drive through leafy lanes. Hall, sit. room (log fire) sun room, dining room, two studies all 20 ft plus.  
Beds: master plus two; 4 ablutions gas C.H. electric, security.  
Between Bath & Bristol £295,000

PHONE 0275 333699



**West Kent**  
Yalting, Paddock Wood Station under 4 miles.  
A fine Grade II listed period country house  
4 reception rooms, garden room, study, farmhouse kitchen with Aga in logwood, 6 bedrooms, 3 bathrooms, cellar, stables and traditional outbuildings.  
Triple garage, heated swimming pool.  
Mature gardens, 2 paddocks.  
About 5 acres  
Region £265,000  
Apply: Knight Frank & Rutley, Tunbridge Wells (0892) 515035

### GLORIOUS SOUTH DEVON

Scandinavian Lodges in beautiful wooded valley. From £44,000. C.G.T. roll-over relief. Guaranteed 10% net returns. Full management. Indoor pool & many facilities.

WKM WOOD, BISHOPSTON, DEVON TQ14 9EN  
Tel 0626 769888 FAX 0626 769595

### RETIREMENT

You know what you want when you retire.

Superb properties for older buyers - cottages and apartments with big rooms, designed for comfort and security, ease and independence.

Lane End, nr. Marlow  
Winterbourne Earls, nr. Salisbury  
Lenham, Kent  
Stanford in the Vale, Oxon

£160,000 - £215,000  
with garage  
The English Courtyard Association  
8 Holland Street, London W8 4LT  
FREEPHONE 0800 220858

English Courtyard

### Weekend FT

on 12<sup>th</sup> June 1993  
the Residential Property pages will focus on  
**STUD FARMS & FISHING RIGHTS**

For further information please contact:  
Sonya MacGregor  
Tel: 071 873 4935 Fax: 071 873 3098

## ITALIAN PROPERTY

### TUSCAN HILLSIDE

Glorious views, restored farmhouse of unique character (18 km E of Siena); 12 rooms & outbuildings arranged around a courtyard.  
3ha olive; large mosaic tiled pool, own well, mains electricity.  
Offers on £260,000  
Tel: (London) 81-340-9933  
or Fax: 81-348-7676

### ITALY - Tuscany

'Style nation' 3 bedroom old farmhouse set in 2.5 acres of tranquil countryside in the hills just 7.5 miles from the beach. Fine views. Olive & fruit trees, multiple terraces. Good condition.  
£150,000 Freehold  
DORSET ASSAID  
TEL: 071 481 4882 FAX: 071 734 4882

### TUSCANY - Apartments, barns, farmhouses, villas and castles for sale.

Full assistance. Tel or Fax 35 85 854 8187.

### TUSCANY, ITALY. Restored farmhouse near Cortona amidst olive groves with splendid views. 34 beds, sitting room, dining room, sun terrace, 2 bedrooms, 2 kitchens - £180,000. Veronica Colgrave 071 287 3423.

AGENZIA INTERCASA offers all types of property for sale and to let, new and old, in Umbria. Tel: Italy (+39) 783 831484 or 44895

### RIVIERA, ADRIATIC RIVIERA, apartments, villas, holiday English speaking agents Tel: 010 39 541 780200 Fax: 010 39 541 780400

### TUSCANY INSIDE OUT

The Property Specialists contact  
Diana Levin Moore  
Licensed Agent  
Tel/Fax (010 39) (578) 26.55.67 or 26.66.02

### UMBRIA TUSCANY

San Marino offers to own and/or purchase of beautiful farmhouses in prime positions. In addition we build new villas in traditional style. We can do everything regarding legal documents, design & planning permission, building works, interior finishing, landscaping, maintenance.  
Guaranteed fixed prices and completion date.  
Tel UK 85447 234 Fax UK 85447 8908

### WONDERFUL ITALIAN FARMHOUSE

A charmingly restored 16th century stone farmhouse, nestling in upland Umbrian hills, 1 1/2 hours from both Florence and Rome, 20 mins from Orvieto, 10 mins from Autostreda surrounded by productive olive groves and small vineyard, the whole property extending to 16 hectares (40 acres).

The luxury accommodation of 416 sq.m. comprises large entrance hall, drawing room, dining room, study, cloakroom, farmhouse kitchen with AGA, morning room, utility room, 5 double bedrooms, 4 bathrooms. Delightful terrace gardens, large beautiful swimming pool with changing rooms, stone stable block and tack room, 3 car garage, all weather riding area, 5 acres of post and rail paddocks. Gas central heating, spring and well water. All services.

Price £650,000.  
Contact for brochure Mr W. L. Turner.  
Italy 39 763 87362 Fax 39 763 87001

### CENTRAL ITALY

Magnificent restored farmhouse 4 beds, 4 reception, 3 baths, dining, fitted kitchen, phone, terrace, garage, views, 4 acres between Cortona & Chita di Castello.  
Price guide £145,000  
For details of this and many other exciting properties in Umbria and Tuscany contact  
Green Umbria Ltd.  
06010-Montecatini (PG), Italy  
Tel. (39) 75-941 0113  
Fax. (39) 75-941 1328

### Toscana - Umbria

Castles, villas, Farmhouses, historical artistic Properties, to buy or sell in central Italy contact:  
Europgroup 92 srl  
I-06013 Lama (PG)  
Tel: 075/8583642 Fax: 8582483

### COSTA EMERALDA PEVERO GOLF, LUX.

apart. 50 yds from clubhouse & swimming pool, view from covered garden terrace, 2 bdrms, fully equipped kitchen, TV, telephone, pool, maid, 2500 pwh all inc. Tel. to owner: 0113 35 2 435555

### TUSCANY

OLIVE MILL NEAR SIENA  
On South wall of medieval hill village, fully restored as 265 year family home. Part can be self contained rental flat or art/music school. Spectacular views and terrace. No land to worry about.  
Ideal for retirement, £170k one Tel: 071 727 1284 (owners)

### CHIANTI DOGS VINEYARD, 30 Hectares.

Lovely house and chapel. Ltr 2,500,000,000. Would divide. Brian A French & Ass. Tel: 071 294 0114. Fax: 071 485 4882.

### HYLLIC farmhouse with 3 1/2 acres, between

Spa & Swimming pools, 250,000 Brochure 0227 480140

### UMBRIA: Restored farmhouse, stunning position, with pool, fully furnished.

£100,000 Tel: 0882 853051

### AURORA has large selection

AURORA of character properties  
AURORA for sale in Tuscany and  
AURORA Marche. For our brochure  
AURORA tel: +44 (0)923 673680  
AURORA fax: +44(0)923 893764

**Jackson-Stops & Staff**

**Leicestershire**  
Leicester 7 miles, Market Harborough 14 miles.  
A Listed Grade II country house in a lovely rural position to the south of Leicester.  
3 reception rooms, 5 bedrooms, 4 bathrooms. Attached cottage. Outbuildings.  
Tennis court. Landscaped grounds of about 3 acres with small lake.  
Guide price: £385,000.  
Apply: 28 Bridge Street, Northampton NN1 1NE. Telephone: (0454) 32991.

**Waltham Abbey (Essex)**  
Freehold Building 1 and 5.1 Acres for sale by private treaty.  
Outstanding planning consent for residential 77 units.  
Particulars available to Developers & Retail Agents.  
Sole Selling Agents  
**CIVIX Ref:JC**  
27 Old Rectory  
1 London Road  
Tel: 071 253 1845  
Fax: 071 253 5877

**SLINDON WEST SUSSEX**  
(Arundel 4 miles)  
Beautiful Georgian Village House in the heart of this lovely downland village, sympathetically restored with 5/6 beds, 3 bath, 3 rec. Farmhouse Kitchen, cellar etc, 1 ac. grounds £465,000 Freehold  
**HENRY ADAMS**  
4 Newtown, Chichester  
Tel: 0243 535377 Fax: 0243 531860

**STAGS**  
**TORRIDGE RIVER FRONTAGE 6 ACRES**  
Opportunity to acquire a well presented 3 bedroomed Country Cottage with Games Room, Garaging and Outbuildings, Garden, Wood, Paddock - Long Frontage to River, Fishing, Mooring. Listed Grade II\* house.  
Offers approaching £200,000  
29 The Square, South Molton Devon  
Tel: 0780 522263 (0229044)

**BRANCASTER, North Norfolk Coast.**  
Individual 4 bedroomed house in approx. 1 acre. Recent reduction - £139,000. BEDFORD COUNTRY PROPERTY AGENTS (0284) 789590.

**AYRSHIRE. Exceptional Country Residence.**  
Commanding magnificent views, Chertsey property quality set in 20 acres Parkland & paddocks. 3 Reception Rooms, 4 Bedrooms, Modern Kitchen & Utility, 2 Bathrooms, Oil CH, Garages, Greenhouse, Travel Radius Glasgow, Ayr, etc. QID £250,000 K1680 Royal Life Estates (0838) 0505 0504.

### COUNTRY RENTALS

**RIVER TWOED - salmon and sea trout fishing on prime beats with gillies. Good river light and conditions now. Available immediately to let in teams of up to 8 on a day with quality hotel accommodation.**  
Tel: 0573 22 33 33

**LINCOLNSHIRE. To let Residential / commercial on a long lease. Substantially period listed property in conservation village - Graham 12m, Lincoln 13m, Newark 10 m & A1 8m (approx.).**  
Garden with range of outbuildings & further car parking available. Would suit residential or prestigious commercial use. In excess of 3,000 sq ft not usable space, including 8 bedrooms. In need of modernisation & improvement. Further details from Smith-Woolley Chartered Surveyors. Tel: Newark (0838) 0505 0504.

**OSIA ISLAND. Spacious apart & small house on beautiful 400 acre private island.**  
Under 2 hours London £250,000-450,000. Unham, Osea Island, Malden, CM8 8LH. 0521 88451/88272.

**BEDFORD**  
**SUFFOLK - WANTED**  
Mrs. E. will spend up to £400,000 on a good quality house. Location important - prices no consideration required.  
Contact in confidence:  
James Bedford or Henry Fryer  
THE LONDON OFFICE (071) 435 3960  
Bury - (0284) 769999

**OPPORTUNITY TO DEVELOP a large "Classical Style" farmhouse on farmland near to the south Dorset coast. Tel: 0722 850422**

**EXQUISITE GEORGIAN MANSION with 8 acres near Aberdeen. Distressed sale, offers when seen. Tel: 0779 812916 Fax: 0779 812916.**

**NEW FOREST, LARGE, MODERN 4 bed property with 2-5 acres. Easy access to motorway. £225,000. (0708) 817845**

**ALFRISTON, EAST SUSSEX. Magnificent brand new detached home set in 2 acres of shared private parkland with 2 tennis courts, 4 beds, 2 baths, 3 Rec. 10/Day room, gas CH, double glazing, double garage, private gardens of about 1/2 acre. £265,000. Beauder Estates Tel. 0323 870811/899590**

### RETIREMENT

**SCALING NEW HEIGHTS**  
Steps and stairways can become a problem with age or disability. At English Courtyard, we'll help you and your family to scale the heights of your dream. We'll make sure that every part of the garden can be reached by level or gently sloping paths. So a gentle stroll down becomes a major expedition. Instead, in the peace and beauty of our gardens, it's a pleasure.

Properties now available at Pendennis Court, our latest retirement development at Stanford in the Vale, Oxon. Prices range from £172,500. To find out more about these and other properties in Bucks, Kent, Wilt and Somerset, ring us for a brochure.  
The English Courtyard Association  
8 Holland Street, London W8 4LT  
FREEPHONE 0800 220858



# GARDENING

ENOUGH of the millionaires: what do keen gardeners find they have gained from the Chelsea flower show apart from sore feet? Every year, I use it to build my yearly collection of catalogues from nurseries. I have never ordered a plant on the spot but I have noted, questioned and admired. I have tried to avoid most of the statuary and the outdoor gardens.

This year, my enthusiasm began with passion flowers and ended with polystyrene rock. Between the passion and the plastic, there was enough to keep me gardening all year.

The passion flowers were symptomatic of a new development and Chelsea's most useful effect. Inside the tent, the holders of the National Collection staged the finest exhibit of this family ever seen in Britain (these national collections are the new life blood of Chelsea and allow us to raise our sights by seeing so much more in families where most of us know only two or three forms).

The credit goes to John Vanderplank at Lampley Road, Kingston Seymour, Avon BS21 6XS. His glasshouses will receive visitors from Mondays to Saturdays and his mailing lists of passion flowers range from 25-10 a plant, including postage.

To my amazement, he lists more than 140 varieties, ranging from white to scarlet, even so, he is missing more than half the known passion flowers in the world.

There are no hardy surprises, but the half-hardy forms deserve close attention from owners of stylish conservatories or frost-free gardens abroad. Passion flowers will sometimes make big tangles of leaves or bear flowers in preposterous shapes and colours, but there are varieties which Chelsea has propelled high on my list for half-hardy cultivation.

This particular National Collection began in 1986 and is maintained by funds from the nursery's sales. The collections are the idea of the conservation movement and now number more than 500 throughout the UK.

Their holders have this increasing ability to change our ideas about possible choices in well-known families, and the Royal Horticultural Society is right to give them exhibiting space. In the past three years, my knowledge of



The Bracley's in their nursery at Wingrave near Aylesbury, Buckinghamshire, which is noted for the excellence of its sweet peas. Watch for its new, white Ann Gregg variety which contrasts nicely with the darker Balmoral

## Chelsea, where small is beautiful

From passion flowers to plastic rocks and beyond, Robin Lane Fox sums up the lessons of the show

anything from Japanese anemones to mahonias has been deepened by such collections on show.

At Chelsea, I was pleased to pass from the passion flowers to the erodiums, those charming relations of the wild geraniums. They are superb plants for carpets or edgings in dry, stony soils and I have been enjoying their long-flowering season for more than 30 years. Suddenly, they are becoming fashionable, although their names and hardness are still chaotic in the trade.

The National Collection belongs to a Dr Addyman but the exhibit at Chelsea was staged by R.V. Roger of Pickering in North Yorkshire, a fine nursery which houses the doctor's stock and knows what a cold winter means.

The other great gain at recent Chelsea has been the staging and colour sense of the

smaller nurseries. I cannot imagine why Hopkeys was denied a gold medal in its anniversary year (although I was surprised to hear comments from the jury that Hopkeys' arrangement of colour was not above criticism). It showed a spectacular pink form of *Cestrum elegans* which would excel even a passion flower in a conservatory.

For outdoors, it also had the dark *Astrantia Hadspen Blood* which has flowers of such a rich, red colour, but its master stroke was a perfect plant of the yellow-flowered wild paeony from the Caucasus, the flowers of which drop within days of opening.

Among other smaller nurseries, I left with my first-ever list from the Bluebell at Blackfordby, Swadlowclough, Derbyshire, which is particularly strong on good shrubs and trees. It shows and sells the

variegated sweet chestnut for only £18.95 and also lists a new garrya with wine-coloured catkins (£9.95) and the *pterostyx* (£12.95), which is one of my particular favourites among easy trees with scented flowers.

Without the impetus of Chelsea, these small suppliers would go unnoticed. Like the collections, the specialist exhibitors help to raise our standards.

For years, I muddled on with ordinary sweet peas and the conventional lupins which we can all grow from a seed packet. I owe to Chelsea my awareness that the ordinary varieties are no longer good enough and that the best are in a different class.

The best sweet peas come from the celebrated Brackley family, from which I buy young plants directly off the nursery at Wingrave, near

Aylesbury, Buckinghamshire, in mid-spring. Its new white Ann Gregg is a wonderful foil for the dark shades of Balmoral, proving that new peas can still be sweet and scented.

The judges agreed on the usual gold medal, as they also agreed over the Woodfield brothers' lupins. Here, too, their breeding has changed my notion of the family.

Their varieties are best bought as young plants from the nursery just south of Stratford-on-Avon and, if you keep off the greenfly, these new hybrids light up an entire border, out-classing the weary old Russell forms.

Perhaps you would rather have a cave or cliff of monumental rock. I have coveted one secretly for years, hollowed into a grotto and available with an optional hermit. The trouble is that transport and siting of huge rocks is beyond all but the most extravagant pockets, although their boldness could do wonders for gardens in rock-free towns.

This year, a new age of rock has dawned on me. "It is better than real - it is super-real," says its inventor, Rocksapes, of Mill Lane, Godalming, Surrey (tel. 0583-426 550). The new trick involves a backing of light polystyrene faced with a special concrete mix.

Colours and roughness can be varied artfully to match huge pseudo-builders to a surrounding wall or nearby house. The sham rock is much lighter to handle and lob into position: it lasts well and will not scratch or splinter, even when waterfalls or plants are added to it.

At Chelsea, the technique was used to simulate one of the vast historic gardens of rock laid out by the Pulteney family. Elsewhere, Rocksapes has contrived the effect of "large-scale pictures" for an imaginative garden owner in Hamstead, north London.

The total cost for a romantic landscape of rocky sublimity at the bottom of the garden would probably not exceed £2,000, but it would allow a natural fantasy which would transform the limits of urban life.

It is a brilliant con, perpetrated in the spirit of nature. And as soon as I can think of a sufficiently awesome fragment of alpine scenery, I will - thanks to Chelsea - roll the new rock into place and surpass the greatest rock gardeners of the past.

## Books

# Fruitful inspiration for border browsers

WHAT DO you expect from a gardening book? Inspiration? Practical advice and a faultless selection of plants?

Obviously, the answer must vary depending on the sort of gardener you are. But I suspect that no gardener ever actually reads a gardening book, at least to begin with. Browsing is what it is about, whether to dream away the long winter evenings or decide which runner bean to plant in the spring. Whether the problem is what to put into terracotta pots or how to design a new water garden, a single book will rarely do.

Considerations of this sort, at least, must move publishers. Why, else, in a single spring, would you find several more volumes on gardening in containers to add to those already on the market? Maybe container gardening has become more fashionable but this spring also sees a number of new or reprinted books on gardening in the shade and in dry or damp soils, subjects which have been with us for a very long while.

The most ambitious of these new reference books bears the imprint of the Royal Horticultural Society. Four titles open the way to the publishers, Conran Octopus, bill as a "new library... combining expert advice, inspirational photographs and practical information... for the new and experienced gardener." Slimish volumes of about 130 pages each, the four books cover shady, flower, glasshouse and container gardening, written respectively by Jane Taylor, Helen Dillon, John Watkins and Thomastina Taring. Each costs £15.99. Twelve books are promised altogether, with cottage, alpine and landscape gardening expected next year.

The format of these new volumes is easy to follow with good pictures and coloured drawings, a good index and in each a succinct list of "key plants" and key points to note

for each of the seasons. Do not expect particularly good writing or necessarily happy editing. (One chapter is headed "Containers for Situations"). But the series should prove a useful addition to any library shelf.

*Plants For Dry Gardens*, by Jane Taylor (Francis Lincoln, £18.99) nicely complements her volume in the RHS series. Jane Taylor appears again in a different series with a volume on *Climbers and Wallplants for Year Round Colour*, alongside Peter McHoy's *Containers and Baskets* (Ward Lock £14.99). I find these volumes less well produced and more pedestrian than the RHS series but not so poor as the (admittedly, at £4.99, much cheaper) *Letts Guide To Garden Design*. These

both the longer and the "picture" version, which started life as a nurseryman's catalogue.

And so on to more elaborate reference books. One splendid and lavishly illustrated volume to appear this spring is Headline's *Illustrated Encyclopaedia of Roses*, edited by Mary Moody with Peter Harkness as consultant and rather competitively priced at £19.99. This shows however why gardeners so frequently need several volumes on a chosen subject.

My "bible" for roses is again a nurseryman's catalogue and I happen to know that David Austin's is the correct listing of Blue Noisette, for he and not the encyclopaedia mentions one of that climbing rose's chief asset, its wonderful clove-like scent. There are several other examples where the two diverge, not to the new book's credit.

And so to a couple of books which purport to be rather more complete gardening guides in that both aim to take the gardener through design, planning and planting of a range of different gardens, from cottage to classic, and kitchen to container.

Initially, I was not sure what to make of Nigel Colborne's *Short Cuts To Great Gardens* (Conran Octopus £16.99). Like the "crusty professionals" he quotes, after only ten years of strictly amateur gardening I tend to believe also that there are no real short cuts. But never mind. The idea that there might be is a challenge in itself and as befits a well-known television gardener and RHS show judge, his advice is sensible and easy to follow. This would certainly be a book to have if you were starting from scratch.

However, I am less keen on the rather pretentiously named *Garden Source Book* (£25 from Mitchell Beazley) which I find less imaginative (and considerably less tasteful) than another "bible" of mine, John Brooke's infinitely adaptable *The Small Garden*, originally published by Cavendish House in 1977.

## Bridget Bloom on the latest in reading for gardeners

hardback volumes (covering containers again as well as *Walls and Screens*, *The Small Garden* and *The Herb and Kitchen Garden*) are quite glossily produced. But for me they commit the unforgivable crime of failing to identify gardens singled out for praise: each one of the four volumes carries a - different - photograph of Sybil Spencer's herb garden at York Gate, near Leeds in Yorkshire, without once identifying it.

From publisher J M Dent comes the classic *Perennial Garden Plants* by Graham Stuart Thomas, first published in 1976 and Alan Mitchell's *Gardeners Book of Trees* - the latter not for newcomers since there are very few photographs. Roy Lancaster's *Trees For Your Garden* might be better there, though more expensive at £16.99 (publisher Aidan Ellis).

For my money however, it is still very hard to beat *Hillier's Manual of Trees and Shrubs* -

## LONDON PROPERTY

**The life-style you want. Minutes from The City. Scotts Sufferance Wharf SE1.**

At Scotts you'll find a vibrant community, minutes from the bright lights of the West End and within easy walking distance of Tower Bridge and the City. Beautifully finished one, two and three bedroom apartments and penthouses overlook St Saviour's Dock, or a peaceful landscaped courtyard. There's video entry, portage and secure underground parking. Spacious

**For a limited period only.**

**2% off your Mortgage Rate for 2 years.**

one bedroom apartments now start from only £99,000.

Visit our show apartments at Scotts Sufferance Wharf, Mill Street SE1 between 10am and 5pm or call 071 237 5260 (24 hours) - it'll be a shrewd move.

**Bovis Homes**

SUBJECT TO CONTRACT AND STATUS OFFERS AVAILABLE FOR RESERVATIONS ON CERTAIN PLOTS BY 31/05/93. PRICES CORRECT AT TIME OF GOING TO PRESS. ASK AT OUR SALES OFFICE FOR DETAILS.

**Central Islington N1.**

1 bedroom flat, light, open living kitchen area, 2 bedrooms, utility room, close to tube. Chain free. £82,950. Tel: 071 704-6618

**ST. JOHNS WOOD**

Hamilton Terrace Magnificent 3 bed apt with beautiful rec & 70' gdn conserv kitchen 56 yrs. £230,000. Horne & Sons 071-499 9344.

**REPOSESSION! BARBICAN**

3/4 bedroom tower block flat. £150,000. William H. Brown. 071 636 2736

**MARSH & PARSONS**

**HOLLAND VILLAS ROAD, W11**

With over a quarter acre of peaceful garden of lawns & trees remote from road, a Victorian studio now needing modernisation. 3 bedrooms, bathroom, kitchen, living room & studio. £200,000 freehold. Tel: 071 603 9275

**SWITZERLAND**

Villas. Studio. Fabulous view. Furnished. £71,000. Osborne Solicitors 93 Parkway, London NW1 7PP Tel: 071 485 8811

**EXCHANGE**

newly renovated villa, Costa Dorada, quiet location in protected village: 4 beds, 3 recep, mod kit, full CH for UK property value £175,000. Tel: 0903 212286 or Fax 0903 207135

**MAJOR NATIONAL AUCTION**

BY ORDER OF THE MORTGAGEES AND OTHERS to be held on 5th JULY 1993

**220 LOTS**

at The Royal Garden Hotel London W8

**STICKLEY & KENT** 071-284 0184

**REPOSSESSED PROPERTIES**

For the widest range of properties that must be sold in your county. Subscribe to: THE PROPERTY BID LIST. You choose the county £10 per county (4 fortnightly lists). Call now with your credit card ready 0372 469111. Or attach a cheque/postal order with this coupon for £10 made payable to: Carthill Publishing plc. Derna Court House, Darnley Court, High St. Esher Surrey KT10 9 QD

**LONDON RENTALS**

**NOTTING HILL W11** - 5 bedrooms/2 bath house - part furnished flat 2 bed self cont. flat, garden, £750 p.w. 081 346 4838.

**KENSINGTON SW10** - Spectacular 3 Fls. 2 bed. 2 bath furnished flat all machines £200 p.w. inc. Hg. + HW. 081 346 4838.

**UNFURNISHED ACCOMMODATION**

WANTED by widow, long term. Philanthropic rent. Central London preferred. Tel: 081 740 3008.

## INTERNATIONAL PROPERTY

**First For France**

**FRENCH TRAVELLER**

The new magazine for travel and holidays in France

**Plus FREE Master Chefs' Map of France**

**FRENCH PROPERTY BUYER**

for the pick of French property

BOTH AVAILABLE NOW AT ALL LEADING NEWSAGENTS

Subscribe now on 071-793 0700

**SWITZERLAND**

Villars Crans-Montana A WISE INVESTMENT! Over twenty years experience

You can buy your own chalet-apartment, direct from the developer, in a choice of the finest locations in the Swiss Alps.

Both Villars and Crans-Montana offer the best for its guests, in winter and in summer.

Low interest Swiss bank mortgages available

For further details: Construction Kohli S.A. Cp 65, 1894 Villars, Switzerland Tel: 01041 25 35 15 33 Fax: 01041 25 35 15 19

**COTE D'AZUR**

NICE - ST LAURENT DU VAR - ST PAUL DE VENCES

A choice of luxurious apartments and villas in best locations.

DAVID DE LARA & PARTNERS 15 Harwood Road GB - London W12 9NE Tel: 081 749 2188 Fax: 081 749 0339

**BOCA RATON, FLORIDA**

Coldwell Banker Real Estate OCEANFRONT PENTHOUSE LUXURY BUILDING WITH SECURITY & FULL AMENITIES \$349,000 CONTACT: ROSLYN CERRONE USA Tel: 407-391-0507 Fax: 407-391-0590

**NEW YORK CITY PARK AVENUE PENTHOUSE**

Terraces and views. Hi ceilings, custom renovation. Best location, best pre-war, 15 bldg. Unique opportunity for corporate ownership. Offered by owner - no brokers please. \$6 million Call Mrs. Rohm, 212 759 7980 or Fax 212 759 0150

**SWITZERLAND**

Distressed sale. Huge 3 bed apartment on 2 floors. 4 beds, 2 baths. £250,000 Tel: 081 441 8686

**Cote D'Azur**

For the best choice of villas & apartments for sale or rent. Call us for a colour brochure. **INTERLOCUTION** Telephone/Fax France (0110 222) 92 97 81 75

**FORECLOSURE Sale at the Palais de Justice in PARIS on Thursday June 24, 1993 at 2:30 p.m.**

**TOWN HOUSE**

5 Villa Saïd PARIS XVI

Basement, ground floor and 3 storeys built on a lot of about 168 sq.m.

**STARTING PRICE FF 30 MILLION**

For further information or an appointment to visit the premises, Contact the law office of: S.C.R. COURTEAULT, LECOCQ, BIDAUDOU-DUMAS, 17 Av. de Lamballe - 75016 PARIS. Tel: (33-1) 45 24 46 10

**IMMOBILIER PROVENCE INTERNATIONAL**

SAINT-REMY-DE-PROVENCE 9, Bd. Victor Hugo - 13210 Tel. 90.92.03.93 Fax. 90.92.39.08

PROVENCE - a romantic setting in protected surroundings - restored house 155 m2, plus dovecot and caretaker's accommodation, 7400 m2 land, Ref 133. Price 2 200 000 F. One of many properties between 300 000 F and 3 000 000 F. English, French and German spoken. Contact: Harriet Strickland

**LOIRE CHATEAU**

Magnificent 19th Century beautifully restored chateau in Loire Valley. Superb 12m x 5m swimming pool with parkland and overlooking lake. Ideal for home, entertaining and investment. Accommodation 2,000,000 FF Colour Brochure Tel: 071 221 0591 Fax: 071 792 9033

**INTERNATIONAL RENTALS**

PARIS, LA DEFENCE - Lux. & new furn. apt. 2 double beds, living room, 2 bath. fully equipped mod. kitchen, balcony. superb FF350 p.m. Paris 457 5918 ANS.

**LONDON RENTALS**

**Weekend FT**

On 19th June 1993 RESIDENTIAL PROPERTY editorial will focus on IRELAND To advertise please contact Carol Haney on 071-873 4186



## COLLECTING

## Fair time for buyers

Antony Thorncroft previews an exciting season for collectors

JUNE is the month when, fleetingly, London reclaims its old position as the centre of the international art market.

The important general antiques fairs - the splendid Grosvenor House (starting on Wednesday) and the frenzied Olympia (already under way); the specialist fairs, like those devoted to ceramics (Park Lane Hotel from next Friday) and antiquarian books (same site from June 23); the special exhibitions at the big galleries, and the attempt by the auction houses to put on mouthwatering sales, combine to lure the foreign as well as the domestic collector to the capital. The fact that Wimbledon, the Derby, and Ascot also close the calendar adds. For the very rich, if it's June it must be London.

For many antique dealers their very future depends upon sales this month. Like the economy as a whole the revival in business has been tentative, with few signs of an entrenched recovery. The renewed interest in art and antiques by some British buyers (and, perhaps more vitally, sellers) has to be set against concern for the future finances of those Italian, Spanish and German dealers whose buying trips to the UK have become so crucial in the last few years.

A still convalescent market ensures that prices this summer are below or at a rough level with those prevailing a year ago, and most dealers, their optimism by now severely tested, will be prepared to bargain down. They are still being hounded by their bank managers. The litany of the past year continues: this is an excellent time to buy - if you can find decent goods. For many dealers this is the key sales month. Some of the 370-odd exhibitors currently cramping Olympia expect to achieve half their annual turnover during the 11 days.

This fair, the largest in the land, has been criticised for its overwhelming size: it is exhausting just to look at the two jam-packed levels, with an elite gold section upstairs while at ground level the silver section dealers, now extended to embrace "antiques" made before 1940 (up until 1980 for jewellery), fight for the wallet of the casual collector with £100 (or up to £50,000) to spend. To make things easier for the anticipated 35,000 plus visitors ESP (Data) is introducing a search system which allows time-pressed collectors to locate particular types of antique. If you are only interested in Staffordshire figures the computer should pinpoint the stands you need visit.

In the good years dealers from Grosvenor House would rush down to Olympia for antiques to re-stock their depleted stands. Not any more. Even though there is a special bus service to transport you from one to the other the gap between the two fairs seems to



Portrait of a Lady, oil on canvas by Giovanni Verelst (Dutch School, 1615-1650), to be shown by Rafael Valls at Grosvenor House

be increasing.

Olympia embraces every conceivable type of antique and is for the affluent general collector and foreign dealer. Grosvenor House maintains a bias towards furniture and is for the seriously rich. A stand here can cost £40,000 and there are always a few £1m-plus objects on offer. The 90 exhibitors represent the best that the British trade, and increasingly a few privileged foreign dealers, has to offer. Sales are naturally important but for many exhibitors meeting old clients and new contacts and negotiating later back at the shop are just as vital.

It should be an exceptionally good show. The crisis at Lloyd's has forced some Names to dispose of antiques to meet their liabilities and they have preferred to off-load discreetly through dealers rather than face the glare of the salerooms.

Agnews usually has an expensive picture on display and this year it is Constable's "The Wheatfield", a rediscovery which is priced at \$8m. Another \$1m-plus painting is on offer at the stand of New York dealer Otto Nauman, Jan Steen's "The Proposal". Richard Green is always a strong exhibitor at fairs and has a still life of flowers by Jan Brueghel the Elder and a Henri Lebasque of women washing in the Seine.

Among the furniture dealers Norman Adams is showing a pair of George IV writing tables supplied by the Royal cabinet makers Banting, France, to furnish Ickworth around 1825, while Mallett has a pair of Chippendale period mahogany bombe commodes. Anyone whose taste has moved on into the 19th century will find rarities at the stand of

Country Seat, including a Gothic octagonal library table made by Gillow after a design by Pugin.

This year Grosvenor House is attempting to portray itself as a shopping place for the common man and although prices may still seem steep the quality shines forth.

The Ceramics and Antiquarian Book Fairs mainly appeal to connoisseurs, who are reappearing now that investors have burned their fingers and prices are falling back to more reasonable levels. The Ceramics Fair in particular is enhanced by the learned lectures which transform it from a market place into a scholarly forum.

Undoubtedly the recession has bolstered the position of the dealers. Of course they have seen their turnover and profits fall but they have the great virtue of discretion. The well-publicised failure of major items to sell at auction, and the glare of publicity that such transactions involve, has sent many vendors back to dealers.

This is especially true in fields such as Old Master paintings where dealers anyway account for 90 per cent of the buyers in the saleroom. Why not try and deal direct with the main protagonists? This is currently obvious on the walls of Agnews in Bond Street where the 176th Summer Exhibition offers Old Masters and British pictures of comparable if not higher quality to anything available at Sotheby's and Christie's. There is a major Rubens of the Holy Family with Saint John, an important Turner view of Walton Bridge, and a charming Gainsborough portrait. All are priced well into the millions but all have attracted buying interest, especially from museums.

The important dealer shows

in oriental works of art - at the new Oriental Art Gallery; the old Eskenazi in new premises; and the exhibition at the Christie's-acquired Spinks are mentioned elsewhere, but other current London highlights are the Matisse aquatints, etchings and linocuts at the William Weston Gallery; the Dutch and Flemish Old Masters at Noortman; and a St Ives show at the Montpelier Studio to coincide with the opening of the new St Ives Museum on the beach at the Cornish resort.

After some very quiet months Sotheby's moves up a gear in June with some attractive auctions. Among the Victorian paintings on Tuesday there are four interpretations of the awakening of physical love by Sir Edward Burne Jones which could reach £300,000, plus a Rossetti beauty, "La Ghirlandata", a drawing estimated at around £500,000. A large painting of a bear fight in the Coliseum which took Alma Tadema two years to paint has a top estimate of £1.2m. Another large Alma Tadema recently made a record \$2m (£1.2m) in New York so this seems a reasonable forecast.

On Friday 1,200 Japanese prints of the Kabuki theatre collected by the late Professor Künhe should clear \$550,000, but the really big money will be splashed out on June 22 at the major summer Impressionist auction when the most important oil by Honoré Daubigny is to appear on the market in years might make £2m.

Christie's also has an important Alma-Tadema, "Roses of Helio-gabalus", for sale on Friday. It cost the enormous sum of £4,000 in 1888 but by 1935 its value had slumped to 460 guineas. Today's market estimate is up to £900,000. Another June highlight at Christie's includes the first book printed in English, "The Recuyell of the Histories of Troy", which Caxton printed in Bruges in 1476 and which is forecast at around £500,000, but the really important items are reserved for July 6 when a Michelangelo drawing of the Holy Family on the Flight to Egypt should make £3m.

However, there is a substantial fly, not to say spider, in this agreeable ointment. On Monday the new chancellor Kenneth Clarke joins his fellow finance ministers in Brussels to sign some important documents. One imposes for the first time VAT of around 4 per cent on imports of antiques into the UK from non-EC sources. In itself it does not seem too damaging. But the trade and the auction houses are well aware that once a tax is levied it will probably be increased, and could quickly sound the death knell of London's eminence as an art centre.

The auction houses and the main dealers will move their business to low-taxed Geneva, or New York, or the Far East. The paperwork and the hassle will deter both buyers and sellers, and the open market which has been the making of London, and the UK, will be no more.

The trade is united in urging Clarke to stand his ground and to persuade the rest of Europe to follow the good old British practice of free trade. A good result here is worth any number of sales at Olympia or Grosvenor House.

ON TUESDAY, Eskenazi unveils the latest in a long line of spectacular and scholarly Oriental art exhibitions to celebrate the gallery's move from a first floor in London's Piccadilly to a five-storey "Flemish Renaissance" townhouse off Bond Street, at No. 10 Clifford Street. The acquisition and refurbishment of the building cost in excess of £5m and is an expression of confidence all the more striking given that Eskenazi has no English clients.

The old premises in Fargrove House afforded no storage space, no room for parallel exhibitions and inadequate wall space for the extensive library. The restored 1897 facade of Clifford Street belies an imaginative, purpose-built interior of some 12,000 sq ft. There are two gallery floors, divided front and back to offer up to four independent exhibition spaces. Moveable, free-standing showcases provide maximum flexibility.

A pool of natural light is brought to the heart of a once gloomy, narrow building by a new atrium. Natural materials have been chosen throughout: blond sycamore, French limestone, glass. The effect is cool, airy and meditative.

For the new gallery, Giuseppe Eskenazi envisions more exhibitions (there have already been 36 in the last decade), including loan shows, and "symposia or anything which might interest academics".

For him, the new building is also "my way of showing my commitment to London". When he left Milan to open a London office of the family firm of Oriental art dealers in 1960, London was the undisputed capital of the art world. Thirty years on, and thanks to the arguably short-sighted policies of the auction houses which now move objects around the world to offer them in their primary markets, it has become just one important centre as Hong Kong and New York have come to rival it in the Oriental art market. But Eskenazi believes London still retains the trump card of unrivalled expertise - in its museums, universities and art trade.

## Jewels from the East

Significantly, Oriental art is one of the few markets in which the auction houses have failed to wrest the biggest business from the hands of a small group of top international dealers. Eskenazi may have no English clients, but it claims the third highest turnover of any London dealer. In 1991-92 that was some £18.5m, a huge sum in Oriental terms.

Eskenazi's inaugural show is "Early Chinese Art from Tombs and Temples" (June 8-July 9). Some 48 works of art, from a Shang bronze of the 12th-11th century BC to a Song or Jin wood Bodhisattva of the 12th-13th century AD, have been selected to represent the

**Susan Moore**  
welcomes an  
upcoming feast of  
Oriental art

breadth and quality of the gallery's holdings. Collectors with deep pockets will be delighted to find that a number of prize rarities have been extracted from the company collection. "We are selling things we had no intention of parting with", says Eskenazi.

Notable among the highlights is an unusually large and superbly modelled recumbent bronze ox of the Eastern Zhou period (4th-3rd century BC), inlaid with scrolls of silver. A partial inscription states that it belonged to the state treasury of an unknown king. From the Tang dynasty comes a sumptuous silver reliquary, a vigorous glazed earthenware horse biting its knee and an imposing amphora, 68cm high, streaked with a sancai glaze of cream, green and chestnut. Most examples are half its size. "Japanese Netsuke from the

oured rubbed lacquers is hailed as fine as anything produced in the 18th century. At £4,000 to £60,000, it is certainly as expensive. Complementing his work is a small display by the English contemporary netsuke carver, Guy Shaw.

More netsuke are to be found at Sydney L. Moss (51 Brook Street, London W1). "Zodiac Beasts and Distant Cousins" which shows June 9-July 2, focuses around a group of 12 wood animals by the Gifu/Magoya masters, Tomakazu and Ikkan.

A far wider selection of Oriental and South East Asian wares - including bronze, ivory, lacquer, cloisonné, pottery and porcelain, glass, soapstone and textiles - is to be found at The Oriental Art Gallery's summer bonanza, 4 Davies Street, from June 8. Most notable is a group of Ming and Qing Imperial lacquers.

Spink's Far Eastern show, 5-7 King Street, London SW1, until June 18, for the first time includes a significant group of Korean ceramics - far more rare than their Chinese and Japanese counterparts. Outstanding among the exhibits is an 18th century Choson Dynasty blue and white porcelain brush pot sparsely decorated with a continuous landscape under a full moon. Prices £1,500 to £200,000.

Christie's, meanwhile, exhibits 118 pieces from the collection of Chinese ceramics amassed by the Hong Kong dealer Robert Chang (until June 15). This is a gloriously old-fashioned collection of flashy, brilliantly coloured and finely potted wares which reflect the re-emergence of taste for late Qing Imperial porcelains in the Hong Kong of the 1970s and 1980s.

## Thomas Gibson Fine Art Ltd

Michael Leonard

Paintings and Drawings

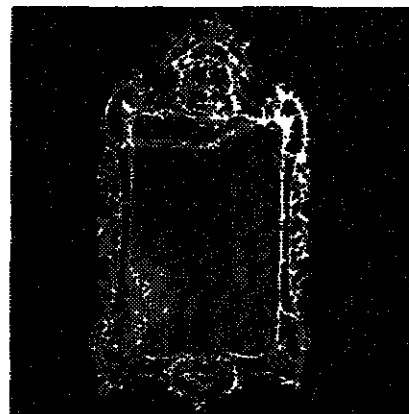
3rd June - 2nd July

44 Old Bond Street  
London W1X 3AF  
Tel: 071-499 8572



## Norman Adams

8-10 Hans Road, Knightsbridge, London SW3 (opp. West Side Harrods)  
Tel: 071-589 5266 Fax: 071-589 1968



A fine Chippendale period carved wood and gilt mirror. Circa 1760  
Exhibiting Grosvenor House Antiques Fair 9-19th June, Stand 39.

## THE INTERNATIONAL CERAMICS FAIR AND SEMINAR

11, 12, 13, 14 JUNE, 1993 at  
THE PARK LANE HOTEL

PICCADILLY, LONDON W1

Friday, Saturday, Sunday: 11am-5pm Monday: 11am-7pm

Enquiries Telephone: 071-734 5491 Fax: 071-494 4604

## NOORTMAN



AN EXHIBITION OF DUTCH AND FLEMISH OLD MASTER PAINTINGS  
AT OUR LONDON GALLERY  
9th June - 16th July 1993

Fully illustrated catalogue available on request  
40-41 Old Bond Street, London W1X 3AF. Telephone 071-491 7284 Fax 071-493 1570  
Vrijhof 49, 6211 LE Maastricht, Holland. Telephone 043 216745 Fax 043 213899

Forthcoming  
Auction

CHRISTIE'S

Francesca Guardi (1712-1793), Ladies and Gentleman in Carnival Costume in the Ridotto, Venice,  
30 1/4 x 42 1/4 in. (77.5 x 107.5 cm.). Estimate: £300,000-500,000

## Important Old Master Pictures

Auction: London, Friday 9 July 1993

Viewing: 4-8 July

Enquiries: London, Gregory Martin on (071) 389 2533  
or Charles Beddington on (071) 389 2531

Catalogues: London, (071) 231 5240 (sales)

8 King Street, St. James's, London SW1Y 6QT  
Tel: (071) 839 9060 Fax: (071) 389 2209

**Grosvenor House Antiques Fair**

9th-19th June 1993

9th-11th, 5pm-8pm, 12th-14th, 11am-5.30pm  
Subsequent weekdays, 11am-5pm, weekends, 11am-6pm

GROSVENOR HOUSE, PARK LANE, LONDON W1

ENQUIRIES: 071-499 6563 OR 071-629 0624

**OLYMPIA LONDON**

THE FINANCIAL TIMES AND ANTIQUES FAIR

3-13 June 1993

At Olympia in June  
400 leading antique and fine art dealers - selling furniture and clocks, silver and porcelain, paintings, prints and watercolours. London's most comprehensive Fair: unrivalled choice and superb quality. All antiques on sale are examined by experts so you can buy with confidence.

Fair Information: Tel 071-570 8188/8234  
Fair closed Monday 7 June

**THERE'S A HANGING EVERY MONTH**

Great Art demands the greatest space that's why on the first Saturday of each month the FT publishes a full colour Art section devoted to art and antiques.

The weekend FT is read by an estimated 1 million people in 160 countries, reaching affluent international investors and collectors. Providing the Art world with exceptional and effective advertising opportunities.

37% of Saturday FT readers have bought paintings or antiques in the last two years (FT Reader Survey 1992)

For more information about advertising please contact:

Genevieve Marengi  
(071) 873 3185  
James Burton  
(071) 873 4677

THE FINANCIAL TIMES - PUTTING THE COLOUR BACK INTO ART



BOOKS AND ARTS

# Life and times of an unusual Tory

Malcolm Rutherford on Alan Clark's diaries

Thursday 31 May, 1990  
I am getting a marvellous press.

Last week I had lunch, privately, at the FT, and sparkled. A highly complimentary piece followed on the Saturday - 'one of the most attractive (Hullo!) as well as one of the cleverest of Mrs Thatcher's Ministers'.

I remember it well. Most of my colleagues had never met a Tory like Alan Clark before: iconoclastic, but seemingly on the traditional right wing of the party. The subsequent decision to make him "Man in the News" in the Saturday paper was taken at short notice. A call was put in to the Ministry of Defence who said he was somewhere in Scotland but promised to try to find him. Clark rang in from an expensive address (I think it was Glenageary) and asked if we could call him back because, we would understand, he was quite a poor man.

Other profiles followed in other papers, including the fashionable accolade of an interview in *Marxism Today*. For Clark was then at the height of his political powers: as minister for defence (promotion), he was assembling a fundamental defence review for Mrs Thatcher ("never let her hear that term", said even sympathetic officials). He would have liked to have been

defence secretary himself, but this was the next best thing. Nothing much came of the review. It was styled by the defence ministry and the real secretary of state, Tom King. Shortly afterwards Mrs Thatcher, whom Clark adored, ceased to be prime minister, and that in effect was the end of his political career.

The really interesting questions are why he went into politics at all and why, when he did, he shunted round at such a relatively low level. Clark had most of the attributes admired by Jane Austen: wealth, intelligence, looks. Yet, despite sometimes appearing arrogant, he seems ultimately to have lacked self-confidence.

These *Diaries* provide only part of an answer. For a lot of the time, he seems much like any other politician: anxious for promotion, interested in who's in, who's out, and retailing second-hand gossip. The

## DIARIES

by Alan Clark

Weidenfeld & Nicolson £20, 421 pages

entry for 5 June, 1983 reads: "A new Conservative Government. Will I be in it?" On another day he meets a fairly junior MP, whom he does not like, on a train and picks up the gossip from him. There is very little here that gives the inside story of affairs of state.

Again, to anyone who knows Clark, however remotely, there is not much new about the man. The sexual indiscretions, perhaps, for which he makes no apologies, but these are merely distasteful: for example, the reference to "the golden summer of 1955 when I was running Anne, Mary and Liz, all of them living within half a mile of each other". There is always a vulgar side

to Clark to set off the civilised. It is the same with money. Half the time he boasts about being rich. "How awful to be worried about one's pension!" he says about Patrick Jenkin, who was sacked from the cabinet. The other half he complains about being poor: too poor to have servants and scarcely up to the cost of entertaining - "It's so expensive, with good claret at £100 - minimum - per bottle".

And yet there is an endearing side to him. He loves animals and only the forceful intervention of Mrs Thatcher prevented him from pushing a bill obliging traders to label furs and skins from beasts that had been caught in leg-traps. He weeps when he kills a heron to protect the fish but - the contradiction again - confesses that he would have had no remorse about killing a human intruder.

Some of his judgments are

conventional. He admired David Owen as well as Mrs Thatcher. He shared the distaste of the grey set for letting Michael Heseltine become party leader. On the other hand, he could not stand his near namesake, "that podgy life-insurance-risk", Kenneth Clarke and preferred the old rough Labour Party style to the new men in suits.

Like most politicians, he believed he had a better feel for the "politics" of a subject than anyone else. He also admits to devotion to the "beloved, magical electric aura" of the Chamber of the House of Commons. At one stage, he considered leaving junior office and angling for Toryism à l'outrance (his French is good, as he often says), but (convention returns) "hang would go the K". With more self-confidence, he might have done it. Enoch Powell did.

He contemplates his great work to come: "Tories and the Nation State 1932-74". At a meeting at the London School he was talking about the subject when his colleague Samuel Brittan asked, "What is the nation state?"

"If you don't know what The Nation State is," said Clark, "you're decadent." Clark is quite decadent himself, but he should write the book.

Malcolm Rutherford



David Calder and Clifford Rose in the Royal Shakespeare Theatre's latest production of the Merchant of Venice

# Credible rendering of cruelty

Alastair Macaulay examines the updated Shylock

"THE VILLAINY you teach me I will execute." David Calder, the RSC's outstanding Shylock in David Thacker's new modern-dress *Merchant of Venice*, makes this a key line. Yes, he is a Jew, but he only fully enacts "Jewishness" - donning a skullcap, using florid gestures, enunciating words in the mask of the face, forsaking his elegant city suit for a dour traditional gaberdine - when the Christians have insulted him, beguiled him and, finally, stolen his daughter Jessica. Yes, he becomes cruel, but only because he has been made so by persistent and unthinking Christian cruelty. He has been taught by masters.

Dignified, erect, urbane, his voice a heroic high baritone, Calder dominates the play. For him, Thacker has even reinstated the post-Shakespearean scene in which Shylock returns home to find Jessica gone: as Irving used to, and as Verdi's Rigoletto does. Even in the courtroom scene, a sob escapes this Shylock as he recalls his daughter - but then he recoils himself and, in full view, his face becomes marble once more.

There are snags in so reasonable and updated a reading of Shylock - the only obvious reason that Jessica might have for leaving such a father is

that she prefers partying to loud rock music to staying at home with his piano-quartet CDs - but it is astonishing how potently most of the play supports this noble reading.

Thacker's Venice, as designed by Shelagh Keegan, is a colourless high-tech cityscape. Salerio, Solanio & Co. are crass city slickers; Bassanio calls Graziano on his mobile 'phone; Antonio is a white-haired older gent; Launcelot Gobbo (with V-neck sweater and coffee mug) is Shylock's office boy. These people's anti-Semitism is not by persistent and unthinking Christian cruelty. He has been taught by masters.

The Belmont scenes are more artificial. Penny Downie's Portia receives her suitors in a "period" full-length gown (and in mourning), and Nerissa's dress is mock-18th century. Only later do these two fully enter the modern world. Thacker catches the lovers' comedy of the final act neatly, and Keegan's designs lend it colour. They do not, however, stop it from being the usual charming anti-climax. Only Peter Hall's 1989 staging

in my experience has caught this scene's darker emotional pains, its moving belief in the power of music, and its Renaissance return to rich musical harmony. When Thacker's Lorenzo (Mark Lewis Jones) talks of "The man that hath no music in himself," he unfortunately indicts Jessica, himself, most of their chums and Gary Yershon's electronic muzak.

Downie, who five years ago fought a battle royal against Calder as Queen Margaret to his York in *The Plamagenes*, is here outclassed. She has Portia's breeding, her romance, and (interesting contrast) her stillness and her impulsiveness. Yet these elements do not get into an authoritative portrayal. She etches no lines into memory, and her pianissimo are inaudible. Owen Teale's Bassanio is virile, ardent, personable, and yet he is too busy with a display of youthful excitability. I could not believe in any sexual chemistry between them, or between the revealing audacity of Thacker's production, which makes us see Shylock and Venice with new eyes.

In repertory at the Royal Shakespeare Theatre, Stratford-upon-Avon.

# Leonardo falls flat

A MUSICAL about Leonardo da Vinci (1452-1519) promising painting by numbers but threatening to put the great draftsman in the singing and dancing Rolf Harris mould. Now at the Strand Theatre, "Leonardo The Musical: A Portrait of Love" has arrived, lamentably reworked from its opening at the Old Fire Station in Oxford last November. This musical is less exciting than watching Leonardo's paint dry - the show lacks passion, the songs want subtlety and the issues beg credibility.

The story fixes on the relationship between Leonardo and the Milanese Francesco Melzi, "a very handsome boy and much beloved by him," according to Giorgio Vasari the art historian. When the Florentine Francesco del Giocondo commissions a portrait of his wife, Mona Lisa, Leonardo falls in love and fathers her child. Lisa marries Giocondo in haste, Leonardo repents at leisure, and Melzi pines like a lost courtier in the blue distance of a Renaissance fresco. This amounts to "The Patron, the Wife, the Painter and his Friend."

"Leonardo" is a wonderful idea gone astray. The ultimate Renaissance man, the unfinished work in Florence and Milan, "that" painting with her smile. But a glance at the period shows a fine opportunity squandered. Leonardo was a contemporary of Il Perugino in Umbria, of Raphael and Michelangelo at Rome, Bramante in Milan, of Andrea del Sarto and Bartolommeo in Florence, and of the Bellini family in Venice. He met Machiavelli at Cesare Borgia's court in 1502. Not one appears in the plot. It has been written as if the Renaissance was not

happening. The plot fails to excite on its own terms. Leonardo's love of Lisa and his love of painting sit uneasily together. He did actually have music playing while he posed sometimes between 1500 and 1504. But neither songs nor action dramatise the creative process or the relations between the principals. The lyrics beggar belief: "She's a flower on the tree, the very heart and soul of me", Leonardo sings. The dialogue is a close second: "My late husband, Gaudr red is soul" chirps a cockney Landlady.

Rolf Harris aside, the other antipodean connection is the show's finance from the people of the guano and phosphate rich South Pacific island of Nauru. Only the United Arab Emirates has a higher per capita income, and the island's 8,000 inhabitants are celebrating 25 years of independence. Now there is an interesting musical waiting within their own eight square miles, a tale of Australian exploitation, phosphate fortunes, and coral island romance.

Andrew St. George

## DEV BASRA



SCULPTURE PAINTINGS PHOTOGRAPHS  
ATRIUM GALLERY, WHITELEYS, W2  
JUNE 9TH - 26TH JUNE 1993

W.R. HARVEY & CO (ANTIQUES) LTD  
SUMMER EXHIBITION

"The Gentlemen's Library"

Georgian Library settings 1715-1830

- shown in period room settings

UNTIL JUNE 26th 1993

5 (Old) Royal Street, London W1. Daily, except Mondays 10am to 5.30pm.  
Enquiries 071-494 8385

# Three studies in contrast

NOT MANY points of contact between this trio of novels - one cool and controlled, another exploding with energy and invention, the third merely going through the motions. *The High Flyer* offers the elegant craftsmanship, even if it is finally an unsatisfying novel, a story of the diplomatic life which sometimes exudes a Graham Greene-like melancholy.

The cover illustration - a detail of a late Renaissance lacerus in freefall - provides the perfect resonance; Shakespeare's high flyer is a career diplomat, Thomas Wavery, seemingly bound for ambassadorial success until he is overwhelmed by the gravitational pull of an extra-marital affair. The expected posting to the Lisbon embassy fails to materialise, his marriage disinte-

THE HIGH FLYER  
by Nicholas Shakespeare

Harvill £14.99, 382 pages

POMPEY  
by Jonathan Meades

Jonathan Cape £14.99, 472 pages

SNOWSTOP  
by Alan Sillitoe

HarperCollins £14.99, 263 pages

grates and Wavery finds himself dispatched as consul to the Spanish enclave of Abyla on the North African coast, there to serve out his time in overseeing the completion of a road tunnel across the Gibraltar Straits. As Wavery is gradually absorbed into life in the col-

ony, the events that conspired to his fall from grace are revealed; vignettes of local life are counterpointed sharply against the finally hopeless tale of his love for Catherine. But Shakespeare's carefully plotted narrative really lacks the energy to make these parallel tracks converge; in the end the beautifully textured patchwork of images of life in this disconnected fragment of Europe merely provides a colourful wrapping to what develops into a terminal tragedy for Wavery.

Energy is one quality certainly not lacking in Jonathan Meades' sprawling baroque novel, which parades erudition, obsession and pure virtuosity on an all too generous canvas. *Pompey's* central character - hero is certainly not the most just - is one Guy Wallender, and the interlaced tales

of his exploits and the fruits of his loins are spread across four post-war decades and countless vividly portrayed settings.

At the centre of this litany of decay and degradation is the city of the title: Pompey, Portsmouth, is the central metaphor of attraction for its excursions, irresistibly draws all the characters to their fates, disposes of its victims. One admires the virtuosity, the creative nerve that has enabled Meades boldly to go where few writers would dare. There are many laughs, but not much love in the book and not much to love, save maybe the fondness for verbal anarchy - what, one wonders without a dictionary, is a "speleean" navel? - and the verse of someone prepared to present this baleful vision of the contemporary world exactly as he registers it.

Which, in his own utterly

different way, is precisely what Alan Sillitoe continues to do. The England he mapped out more than 30 years ago in his first massively successful fictions continues to provide his raw material, though the territory has sometimes become gentrified in the process. The latest transect is provided by a country house hotel which collects a motley assortment of flaky humanity stranded for the night by a blizzard. In thoroughly melodramatic fashion the enforced encounters provide an assortment of catharses, none of them very credible. Sillitoe sets up the clockwork, and just lets it unwind; the reader quickly ceases to care who does what to whom, and the author gives no indication that he cares either.

Andrew Clements

# Eaten up by emotions

EATING CHILDREN is the first, startling instalment of Jill Tweedie's autobiography, written years after she established a reputation as one of Britain's leading feminists. She suggests that the catalyst for writing it, though, is not the rise of "post feminism" but the death of her father, which left her, to her astonishment, emotionally adrift at the age of 50.

The events of the books are remarkable in themselves. Born in Cairo - and convinced for years the hospital had handed the wrong baby to her parents - she grew up determined to be different from them. Her father was an authoritarian Scot, and her wistful and reproving mother had exchanged an exotic Turk-

EATING CHILDREN:  
YOUNG DREAMS AND  
EARLY NIGHTMARES  
by Jill Tweedie  
Viking £15.99 314 pages

ish upbringing for a respectable and loveless Home Counties marriage. Early escape meant choosing a Swiss finishing school instead of university, and then sudden marriage - the first of three - to a bullying Hungarian count.

But the title points to the deeper theme of the book: the way parents and children feed off each other, and the way this early relationship distorts later ones. Terrified as a child that she will be "sucked in, eaten up" by her parents "and would emerge as somebody else entirely", she later finds herself in "suffocating panic" at coping with her first baby's demands. When he dies - in an unexplained cot death - she felt that she was "the witch who killed children and ate them".

In spite of - or perhaps because of - her sensitivity to those undercurrents, she was blind to the real risks of the relationships; she dreamt her husband was a vampire, but failed to foresee that he might run off with their two children. They were returned to her only after years of court cases.

One of the book's surprises - given what you might expect from a 1970s feminist - is her guilt about hurting men. The book opens with her fear that she may have triggered her

father's heart attack, and hints that the boy to whom she was briefly engaged committed suicide when she ignored his letters. The guilt leads to a paralysing confusion about who is the victim and who the aggressor. She stays with her violent husband, she says, for fear that he would kill himself, in spite of the growing fear that he would kill her.

Her anxiety about attracting men is also unexpected, and they are by far the most prominent characters in the book. But where the women are described in enormous physical detail - sprigged blouses, fruity perfumes, long legs, olive skins - the men are more elusive. Her husband is a "brooding presence" and she gives a fragmented picture of her father, alternately dominating and teasing.

She clearly links her claustrophobia in these relationships to her later feminism, and shows more self-knowledge in doing so than Germaine Greer did in her book about her search for her father. But the book's strength and honesty is that it gives a personal not a social explanation of her route to independence.

Clearly, the women's movement has changed some things that constrained her. Rubber girdles have gone, and women no longer need a male guarantor to rent a flat (her father refused to give his signature because she had left her husband). But the psychological insight she is pursuing has won less support in Britain than the 1970s gave grounds to expect. Nor, despite the flurry of interest around the recent failed royal marriages, are there many writers who acknowledge so clearly how parents shape their children.

That perceptiveness makes the book much more than a historical record. There are irritations: she almost flaunts her past lack of control, and the tone is sometimes reminiscent of "before and after" features on self-help.

Her final casting-off of her parents' legacy is also unconvincing. "For far too long, I had raised and nourished a hybrid persona which had produced the odd fruit but at far too high a price. Now, with any luck, the real thing had been dug in and the roots would hold". But those are small points, and simply raise the interest in her next instalments.

Bronwen Maddox

# Which Fleet Street newspaper do the dailies turn to for news on art?

...essential reading

THE GUARDIAN

...influential

THE TIMES

...deserves unstinting praise

THE EVENING STANDARD

...prestigious

EL PAIS

...excellent

THE DAILY TELEGRAPH



Special offer for F.T. readers:  
your first copy free and 30% off  
when you subscribe

£21\* for ten issues of the most comprehensive coverage of the art world available  
\*USA: \$42, outside Europe: £25

Send your name and address with no obligations and quoting ref: F.T. to  
The Art Newspaper, Mitre House, 44-46 Fleet St, London EC4Y 1BN



THE ART NEWSPAPER

The authoritative voice for the art world in over 60 countries



## ARTS

# Few acts of outrage at Summer Exhibition

Patricia Morison reviews some of this year's 1,800 exhibits

THE ARTIST bites back in the catalogue to this year's Royal Academy Summer Exhibition. According to Tom Phillips RA, it is only the critics - languid, and blinkered as they are - who fail to perceive the "defiant outrageousness" of the Summer Exhibition. The people, on the other hand, flock to Burlington House to "assert their democratic right to know what is going on in the visual arts".

This year, the People's Show in London's Piccadilly exhibits 1,800 works, slightly more than before. It is the last Summer Exhibition under the presidency of Sir Roger de Grey, who retires this autumn. Pace Phillips, the show is an enjoyable one although, as ever, so much work and so varied is likely to give anyone a touch of the wits not just a critic.

In a year of blood-letting and stuffed fish, it is something to be grateful for that individual acts of outrage are absent from the RA. Once again, a hotch-potch of international grandees is found in the first two galleries; a wall of six glaring Hockneys, also Kiefer, Liechtenstein, Jasper Johns, Eduardo Chillida, and so on. To my mind, the Summer Exhibition would be none the worse if it reverted to its old pattern and did without the grandees. A corner of repose amid the peculiar jumble is created by "A Crucifixion" and "The Example - With Acknowledgements" by Robert Medley, next to Ken Howard's "Musée d'Orsay" and his magical view of the Tuileries Gardens.

Retrospective groups of eight Academicians who have died in the past year contribute a particular quality to this year's

hang. Many visitors will realise with real sadness that Peter Greenham, Richard Ewch and Sir Robin Phillips appear for the last time. Two examples of Phillips' genius for the small, colourful pastel drawing should not be missed in the watercolour gallery.

John Bratby and Elizabeth Frink dominate Gallery III. Together with John Bellamy, they are the most commanding presences in the exhibition. The Korn/Ferry Award for the Picture of the Year was awarded to Bellamy's "Sunset Song", a group portrait of his family hung in the Central Hall. The RA's other big prize, the Charles Wollaston Award, was given to Paolozzi for the

Blake has filled his gallery with small pictures crammed frame-to-frame, many of them by naive artists. It is an exercise in sheer egotism and wretched for exhibitors thus press-ganged into a Blake creation. In the Small South Room, the crumpling of small pictures is equally bad but is at least hallowed by tradition. Among the works to hold my eye was "Towards the Sea", a very small, atmospheric landscape by Nikki Danks, also Charles Hardaker's keyhole views of the Underground.

Anne Gardener's "Face Pack" and "The Consequence" by Mark Shields stand out from a number of balefully staring self-portraits. One of

perfectly to capture the spirit of very different places. Look too, for John Howard's stark "Disused Viaduct", Sean Harris's "Hawthill Turtle", and from the sculptor Nicola Hicks, a sheet of six spirited etchings of farmyard animals called "Old Macdonald".

Elizabeth Blackadder's fascination with traditional Japan has inspired two memorable works: "Shrine, Kyoto" and "Reflections in a Black Pool". Among other RAs who exhibit work on the grand scale, it is a memorably good year for Anthony Wishaw. At first sight his massive canvas, "Autumn Spinney" might appear dour but then reveals its lyrical quality, a season simplified by the painter's eye into branches, a scatter of red berries and silver streaks of frost. Sonia Lawson is another RA who can be relied on not to trot out a well-tried formula. This year, her paintings range from a large still-life evoking Holland (hering, windmills, tulip-bulbs) to the strongly symbolist "Homage to William Blake".

Although hung high and hard to see, Alfred Whiteley's "Family Group with Boer Soldier" is an interesting, enigmatic painting. Peter Layzell's "Crowds Around a Fire" has a mysteriously supernatural quality in a year when there are many small pictures of obscurely menacing figures. I was also much taken by Brian Nolan's still life, "Après Midi". Robert Chandler's subtle "Blue Vase" several attractive watercolours by Victoria Crowe, and strong, uninhibited charcoal landscapes by Tessanna Hoare.

Sponsor to the 225th Summer Exhibition: Guinness. Exhibition closes August 15.

People flock to assert their right to know what is going on in visual arts

bronze "Road to the Isles".

Gallery X, mainly sculpture, is a mess and not improved by a fearsome blue tondo by Gillian Ayres. But then sculpture is rarely shown to advantage at the Summer Exhibition. Look out for Allen Jones's little fragment of a female torso which does indeed, as the title suggests, cry out for a caress. I could see the point of Peter Randall Page's "Where the Bee Sucks" bought for the Tate under the Chantrey Bequest. It is best described as an enormous sheep's drooping carved in stone. William Fye's water-sculpture, "Plateau", is a fascinating piece. In a bronze vessel, a broad rim of still water presents a surface like black lacquer contrasting with limpid stream coursing at the foot.

For the second year, Peter

the best things in the show is Stephen Goddard's portrait of an old woman, painterly, poignant, and immensely skillful.

In contrast, one notices how few large, commissioned portraits there are compared with a decade ago. The small self-portrait and the "Portrait of a Waiting Woman" by Tal-Shan Schierenberg are admirable. As last year, I am affected by the vulnerability of James Rushton's watercolour heads.

The print selection is terrific. Rothenstein's small screen-print, "Japanese Kite", crackles with the same exuberance as his larger ones. In a year short on the erotic, there is a ripe "Semele" by Tom Phillips. Norman Ackroyd's "Scottish Glen" has a transcendental beauty - what a wonderfully gifted artist Ackroyd is, able so

## Off The Wall/Antony Thorncroft

### Not cricket for culture

THE GENERAL apathy in ministerial and media circles about the political importance of the arts and heritage was spotlighted by the total absence of comment or concern about the removal of the chorister Robert Key, number two minister at the Department of National Heritage, in last week's government reshuffle. He was replaced by Iain Sprouat, best known as editor of a cricketers' who's who.

This might be good news for the sports side of the department's activities but it bodes ill for its cultural brief. The overall lack of any initiative in the arts world is also reflected in the anodyne investigation by Price Waterhouse into the future role of the Arts Council, which faces, through delegation to Regional Arts Boards, the loss of many clients and influence. In the end no report was forthcoming; just a lot of alternative ideas on which the Heritage Secretary, Peter Brooke, can brood.

There was a radical option: to drop 100 of the Arts Council's staff of 154, saving £2.5m and leaving the Council little more than an advocate for the arts. But Brooke made clear yesterday that he did not favour such root and branch surgery. If he

does make a decision - promised by July - it is likely to be option two, cutting fewer than 40 jobs and saving less than £1m.

There will be cosmetic changes - reducing the size of the Council's board from 20 to 12; defining the role of the Council with both the Department of National Heritage and the Regional Arts Boards; and getting the Arts Council to concentrate on its traditional core activity such as funding, assessing and championing the arts, and leaving well alone research, marketing, policy analyses and communications. The Arts Council department handling this sector has expanded to around 30 people in the last two years. This is the obvious area for money to be saved while the traditional Arts Council carries on as before.

However gloomy the arts scene in England, a trip to Cardiff provides a more optimistic picture. In the autumn the largest arts building project under way in the UK will be completed - a £26m extension to the National Museum of Wales, which increases its display space by a third.

Already paintings that have languished in store for years are being introduced to the six new art galleries emerging on for-

mer courtyard space. Most welcome will be a decent show at last for the Davies Collection of French Impressionists. Eight Monets, nine Rodins, three Cézannes and more will be adequately displayed. Other artists to get a comprehensive airing for the first time include Augustus and Gwen John, Richard Wilson and Ceri Richards.

When the future of the National Museum was under investigation in the 1970s one suggestion was that it should be converted into the much needed opera house for Wales. Now even this long untravelling saga seems near conclusion. Few doubt that a £60m opera house, a decent home for Welsh National Opera after years of being squeezed at the New Theatre, will arise on the revitalised Cardiff Bay (the sanitised *soubriquet* for old Tiger Bay) in time for the Millennium celebrations. The site is fixed and the architectural competition for the building should be under way by the summer.

Some of the Lottery-funded Millennium money must go to Wales, and this is the one project that unites the nation. By doubling the potential audience for each performance to 2,000 it could even repay its cost over a few decades.



## Winning portraits

THE BP Portrait Award comes round again, for the 14th time, in as robust and varied a competition as ever, writes William Packer. Ten thousand pounds, with a further £2,000 commission for a portrait for the collection, were always worth the winning, but the importance of the award goes deeper. It has brought the discipline of the Portrait back into the currency of contemporary art, a possibility that even 20 years ago seemed as remote as the revival of the full-bottomed wig.

The winner this year is Philip Harris, for his hyper-realistic image of two figures, male and female, nude and grunge respectively, lying on the bed of a stream. But the strength of the competition is to be measured by the immediate runner-up, a ¾ length self portrait in a football jacket by Christopher Prewett (left), an artist who has been in the offing for the award a number of times, and could well have won this year with this, the most confidently and painterly image of the show. The professionalism of the entry throughout is remarkable; this is a competition that artists themselves clearly treat with an increasing seriousness with every year it continues.

BP Portrait Award 1993 - National Portrait Gallery until September 5; sponsored BP.

## A prophet overlooked

IF CONTEMPORARY British music over the past decade has had a prophet without honour in his own land it has probably been Jonathan Harvey, whose music is widely admired and performed throughout Europe, yet has remained securely within the province of the new-music specialists here. All that may be about to change. Harvey's opera *Inquest of Love* opens tonight at English National Opera and his *Song Offerings*, a cycle of settings of Tagore from 1985, has been awarded the Britten Prize for Composition worth £10,000.

Harvey is now 54, half a generation younger than Britten and Maxwell Davies; he grew up in the wake of the post-war avant garde and was able to extract what he needed from their music. An early grounding in Schoenbergian serialism from Hans Keller and Erwin Stein and study for a Cambridge doctorate was followed by a year at Princeton University absorbing the structural doctrines of Milton Babbitt; overlaid on this academic progress was Harvey's discovery in the late 1960s of the music of Stockhausen, about whom he went on to write an important early study. It all went into the mill of making Harvey an outward-looking, open-minded and in many ways un-English composer; he was, for instance, one of the earliest converts to the

immense possibilities of Boulez's IRCAM in Paris, where he has worked on several works that use electronics and computer-generated material.

What has set him apart from most of his contemporaries has been the intensely wrought religious and philosophical thrust of his music - broadening out from the theology of Rudolf Steiner in the sequence of 1970s pieces called *Inner Light* with which he first established his reputation, to places in which he explores a pan-religious concept of consciousness, tying in elements of Buddhism and Christian thinking. It is this same mixture, unblinkingly and intellectually hard-centred, not at all the sentimentalised spirituality so fashionable in the music of Tavener and Gorecki, that underpins *Inquest of Love*.

Harvey regards the new opera as the summation, philosophical and musical, of all the strands of his development so far. He first sketched ideas for the work more than 20 years ago; he returned to the idea in the early 1980s when a libretto was drafted, and that was enough to stimulate David Pountney's interest in the project. ENO offered a commission and Harvey co-opted the dramatist David Rudkin to shape and weave his text. It tells a curious, timeless story - a wedding ceremony that disintegrates into tragedy and the eventual resolution of the suf-

fering and its root causes in the after life.

There are echoes in the text of William Blake, W. B. Yeats, Tippet's *Midsummer Marriage* and especially, in the second act's journey through the "higher realm," of Elgar's *Dream of Gerontius*. Harvey acknowledges the oratorio as an important influence. "As a boy I used to play Gerontius on the piano; it was the first work that really obsessed me. I was a chorboy in Worcester's [at St Michael's College, Tenbury] where Elgar was very much in the air."

But a music impulse was the real starting point for the opera. "Gerontius speaks of a sound 'like the rushing of the wind', and these are sensations of which I read much later in Steiner and Yeats. When I look back on my music I realise how this scheme has been present in so much that I had done before - Stockhausen was a very important influence, suggesting that his electronic music offered a new reality, a different world, in an expanded consciousness. In the world of my opera there is really no distinction between life here and life after death - death becomes just a little gate to push open and pass through."

"It is about the idea of life after death and suffering (you could call it purgatory but I don't like the word), of living through suffering and forgiving - as one does in life anyway, but probably after death it's much more immediate and raw. It's being in a pure state of emotion with no disguise, no hiding; I knew the opera would be a process of trying to represent this suffering in the context of radiant possibilities. For me music is about suffering and release; I just can't disconnect life from music in the way some people can."

If on one plane Harvey's thinking connects with a peculiarly English vein of mysticism that stretches back through Hopkins and Blake to Thomas Traherne, on another his music, with its use of electronics and synthesizers in the orchestra, is very much late 20th-century in its spirit. *Inquest of Love* is that rare contemporary thing: an opera which is going to stand or fall by its music. The text has potential to be transcended by the invention or dashed by it; if the former, then Harvey's stature is going to be immeasurably enhanced.

Andrew Clements

## Radio

### Forty years of memories

HOW TO mark the 40th anniversary of the Queen's coronation on radio but by reminders of the day itself? Only Radio 2 did so wholeheartedly, first recalling the events of the day (including the ascent of Everest), then with music as played in Westminster Abbey precisely 40 years before.

This was followed by presenter Raymond Baxter (on it he his 40th anniversary too) remembering some events of 1953. Radio 3, who gave a lovely concert of madrigals commissioned for the occasion, must have regretted that the coronation had not been in 1958, which they are still celebrating.

Anniversaries being in tune, on Sunday Radio 3 began its observance of Christopher Marlowe's death 400 years ago with two of his shorter plays. *Dido, Queen of Carthage*, perhaps written with Nashe, uses the same story from the Aeneid as Purcell's opera *Dido's love*, and betrayal by Aeneas. It is thought to be an early play, but uses the poetic skill of the later works.

This production, directed by Michael Barley and Alan Drury, was very much cut, not only of lines, but of speeches and whole scenes; and frankly this was not much loss, for the performance was unexciting. Aeneas (Timothy Walker), hailing the Carthaginian citizens on his first landing, might have been asking the way to the library. Sally Dexter's Dido was short of emotion too, and could not move me even with such lines as "I'll frame me wings of wax, like Icarus/And o'er his ships will soar into the sun/That they may melt, and I fall in his arms." It sounded too much like a first reading. Josephine Veasey in Purcell's "When I am laid in earth", played afterwards, gave the true feeling.

*The Massacre at Paris* deals not only with the butchery of the Huguenots on St. Bartholomew's Day (off-stage) but with sundry murders contrived by the Duke of Guise in his campaign

against the Protestants and hope for the French crown. (He even put down the French King's professor of logic for having argued against Aristotle's *Organon*, but this scene was cut.)

The *Radio Times* called the play "savagely comic", and indeed the succession of assorted deaths is somewhat extravagant; but there is much of Marlowe's dazzling verse, and Jeremy Blake spoke Guise's splendid lines admirably. The company, that must take 34 parts besides "Protestant" soldiers, "murderers, etc." was mostly the same as in *Dido*, but the playing was a good deal better. The same directors were in charge, but the *Radio Times* - significantly? - reversed their names. To hear these two plays at all was a joy; but we must do better next week with *Edward II*.

Radio 3 gave enjoyable readings of Graham Greene's short travel pieces, and Radio 4 had Dirk Bogarde himself reading extracts from the memories of his childhood in *Great Meadows*. Addicts can buy a Radio Collection cassette of the entire set, but I have to say that the kind of youth recalled will appeal mainly to older listeners. I would like his recollections as a wartime staff officer - I had his job later when he had moved on. But that is for the older too, I suppose.

Generally it is Radio 1 FM leading the social-improvement campaigns, but for *Do It!* this week, designed to stir the nation's volunteers into helpful action, they just boosted the free information line (0800-500-500) from 8am to 7pm. More detail on Radio 2 and Radio 5, encouraging listeners to deliver meals, rattle charity-cases, aid the blind, rescue lost cavers, what you will - and some of the recorded recipients sounded less than grateful; but the help-line is what really matters.

B A Young

Chess No 977:  
1 Nf5 (threat 2 Rxf4) Nxf5  
2 Qe2, or Nf3 2 Ne3, or Nf4) else 2 f3, or Bh5 2 Nf6.

GRAND & UPRIGHT  
PIANOS  
SPRING SALE  
Wanderer

**THE ROYAL OPERA HOUSE**

**ATTILA**  
VERDI'S POWERFUL EARLY MASTERPIECE  
Sponsored by the Friends of the Royal Opera House

**A BLAZING TRIUMPH**  
SUNDAY TIMES

BOOK NOW  
JUNE 14, 17, 19,  
22, 25, 28, 30  
JULY 3 AT 8 PM

BOX OFFICE  
071 240 1866/1911

**ST. JOSEPH'S HOSPICE**  
MARE ST. LONDON E8 4SA  
(Charity Reg. No. 21122)

"God's nobility" was how our founders described the dying poor of long ago. The poverty has declined but the sick and the suffering are with us always. So is your inspiring support in these anxious times. May God reward you for your vital gifts.

Sister Superior.

**The Official London Theatre Guide**  
Supplied by The Society of West End Theatre

<p><b>ADRELL</b>, Strand (Tel 0171 364 8899) SUSSEX BOULEVARD Productions June 21-26 Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>ALBERT'S</b>, Strand (Tel 0171 364 8899) Juno and the Paycock (June 14-19) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>ALICE</b>, St. Martin's Lane (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>ALPHONSE</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>APOLLO</b>, Shaftesbury Ave (Tel 0171 364 8899) The Deep Blue Sea (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>APOLLO VICTORIA</b>, 17, Whitehall Lane (Tel 0171 364 8899) Starlight Express (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>COLLINS</b>, St. Martin's Lane (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p>	<p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p> <p><b>DOVER</b>, Strand (Tel 0171 364 8899) The Importance of Being Earnest (June 21-26) Tale: <i>Unleash the Power</i> (Tel 0171 364 8899)</p>
--	---

**Theatreline**  
T-Call 0873 737373  
Theatreline is a free telephone service which provides information on all the theatres in London and the surrounding area. It is available 24 hours a day, 7 days a week. For a full list of theatres and their programmes, visit our website at [www.theatreline.co.uk](http://www.theatreline.co.uk).



Winning portraits  
looked

TELEVISION

SATURDAY

BBC1

7.30 Cereals. Pages. 7.35 News. 7.30 Phocasia. 7.50 The All-New Popeye Show. 8.10 The Girl from Tomorrow. 8.25 Pottery and Co. 8.30 Parallel 9. 10.52 Weather.

10.58 Grandstand. Introduced by Helen Rolison. Live coverage of the third day's play in the First Test at Old Trafford. Graham Gooch's England try to wrest the Ashes from the Australians. Commentary by Richie Benaud, Ray Illingworth, Geoff Boycott and Jack Bannister.

6.35 Late Again. Highlights from last week's editions of The Late Show.

7.30 News and Sport: Weather.

7.45 Singers and Swingers. An episode of Gila Black's 1988 show, with guests Cliff Richard and Sandie Shaw.

8.10 Just Deserts. First of a two-part look at the morality of punishment, investigating how victims of crime are having an increasing say in the sentencing of offenders. The programme features courtroom footage from America, where relatives of murder victims can attempt to influence judges into giving death sentences. Some judges have taken up this trend, but is there a risk that it might result in justice taking second place to revenge?

9.00 Have I Got News for You. Repeat of Friday night's edition of the last programme in this series of the news quiz. It will be missed. Roy Hattersley MP and comedian and actor Tony Slattery join regular team captains Ian Heclop and Paul Merton.

9.30 The Second Helmut. A New Generation. Edgar Reitz's epic flows on. Schussenschon manages to persuade Hermann to marry her, despite his love for Clara. But she is not alone. Helmut is already in trouble for his adultery, faces more problems when he becomes a barrister. Hugo schemes to replace Greg as hotel manager, and Jan finds herself attracted to a young actor.

10.10 News and Sport: Weather.

10.15 Film: National Lampoon's European Vacation. The Griswold family embarks on a cross-country Continental tour. Disastrous comedy, starring Chevy Chase and Beverly D'Angelo (1985).

12.20 Cricket: First Test, England v Australia. Highlights of the third day's play.

1.00 Weather.

1.05 Close.

BBC2

6.40 Open University.

3.00 Cricket: First Test, England v Australia. Live coverage of the third day's play in the First Test at Old Trafford. Graham Gooch's England try to wrest the Ashes from the Australians. Commentary by Richie Benaud, Ray Illingworth, Geoff Boycott and Jack Bannister.

6.35 Late Again. Highlights from last week's editions of The Late Show.

7.30 News and Sport: Weather.

7.45 Singers and Swingers. An episode of Gila Black's 1988 show, with guests Cliff Richard and Sandie Shaw.

8.10 Just Deserts. First of a two-part look at the morality of punishment, investigating how victims of crime are having an increasing say in the sentencing of offenders. The programme features courtroom footage from America, where relatives of murder victims can attempt to influence judges into giving death sentences. Some judges have taken up this trend, but is there a risk that it might result in justice taking second place to revenge?

9.00 Have I Got News for You. Repeat of Friday night's edition of the last programme in this series of the news quiz. It will be missed. Roy Hattersley MP and comedian and actor Tony Slattery join regular team captains Ian Heclop and Paul Merton.

9.30 The Second Helmut. A New Generation. Edgar Reitz's epic flows on. Schussenschon manages to persuade Hermann to marry her, despite his love for Clara. But she is not alone. Helmut is already in trouble for his adultery, faces more problems when he becomes a barrister. Hugo schemes to replace Greg as hotel manager, and Jan finds herself attracted to a young actor.

10.10 News and Sport: Weather.

10.15 Film: National Lampoon's European Vacation. The Griswold family embarks on a cross-country Continental tour. Disastrous comedy, starring Chevy Chase and Beverly D'Angelo (1985).

12.20 Cricket: First Test, England v Australia. Highlights of the third day's play.

1.00 Weather.

1.05 Close.

LWT

6.00 GMTV. 8.25 Glims. 5.13 The ITV Chat Show. 12.30 pm Movies, Movies, Movies.

1.00 ITN News: Weather.

1.05 London Today: Weather.

1.10 Rugby: The Lions Tour. Highlights of the British Lions' matches against Canterbury and Otago in New Zealand. Commentary by John Taylor and Alastair Hignell.

2.30 Wanted, Dead or Alive. Josh (Steve McQueen) and his partner, Alvin (John Wood), are on the loose. Commentary by John Taylor and Alastair Hignell.

3.00 International Athletics. Relay events, featuring Olympic gold medalists Linford Christie and Sally Gunnell, plus Colin Jackson, Tom McKean, Yvonne Murray and Simon Martin. Introduced by Jim Rosenthal from Mountbatten Stadium in Portsmouth, with commentary by Alan Parry, Peter Matthews and Steve Overt.

4.45 ITN News: Weather.

5.00 London Today and Sport: Weather.

6.10 Film: The Incredible Hulk Returns. The green-skinned monster clashes with the Viking God, Thor. SF comic-strip adventure, starring Bill Bixby (TVM 1988).

7.00 Stars in Their Eyes. Matthew Kelly introduces more would-be superstars who can't sing or dance.

7.30 The Brian Conley Show. Sketches and songs with the award-winning entertainer.

8.00 The Bill. A car can strike in the heart of London. A new episode of the police drama, starring John Wood and John Wood.

8.30 London's Burning. Sparks fly on November 5 as Blue Watch faces its busiest night of the year, while Slick-nite, Charisma and Bayleaf cope with problems on the domestic front. Fire-fighting drama, starring Richard Walsh, Gerard Horan and James Hazeldine.

9.30 Film: Money, Power, Murder. A TV journalist finds himself involved in a character assassination case when he investigates the disappearance of a leading female presenter. Thriller, starring Kevin Costner, Tyne Daly and Josef Sommer (TVM 1991).

11.15 ITN News: Weather.

11.30 London Today: Weather.

11.35 The Good Sex Guide.

12.05 29th Club.

1.05 The Big E.

2.05 Get Stuffed. ITN News Headlines.

2.10 Get Stuffed. ITN News Headlines.

3.05 News Music.

4.10 Rock Spot.

4.30 BPM: Night Shift.

CHANNEL4

6.00 Early Morning. 10.00 Trans World Sport. 11.00 Gazzetta Football Italia. 12.00 Sign On. 12.30 pm Kesk.

1.00 Storm Over the Okavango. Wildlife in the Delta of the Okavango River, Botswana.

2.00 Four-Matrons: Aspects of Comedy. Season showcasing the work of three animators with distinctive comic styles, plus a selection of Russian animations. Beginning with Bill Plympton's Push Comes to Shove. Bob Godfrey's Rope Trick. Nikolai Karayev's award-winning Wassara, and On What a Knight, by Paul Driessen.

2.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

3.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

3.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

4.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

4.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

5.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

5.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

6.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

6.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

7.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

7.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

8.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

8.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

9.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

9.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

10.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

10.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

11.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

11.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

12.00 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

12.30 Racing from Epsom. Coverage of the 245 Energizer Maiden Stakes, 3.15 Energizer Stakes Handicap, 4.05 Energizer Oaks and the 4.40 Energizer Stakes. Commentary by Brough Scott.

REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES: ANGLIA: 1.05 Border News. 2.30 Spanish Goals Extra. 5.00 Border News and Weather.

CENTRAL: 1.05 Central News. 2.30 Nigel Mansell's IndyCar '93. 5.00 Central News. 11.30 Local Weather.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

GRAMP: 1.05 The Mornstar Today. 1.05 Channel 4. 2.30 Nigel Mansell's IndyCar '93. 5.00 Channel 4. 11.30 The Mornstar Today.

CHESS

AMONG THE various tactical devices for winning chess, the pin ranks highly. A classic pin occurs when a lesser piece, often a knight, is unable to move because of check or because it would expose a more powerful unit.

Beginners become aware of the strength of pins when their early queen sorties and with HM trapped by a hostile e1 rook against an uncaptured e2 king. Another typical novice pin is when an f6 knight is pinned by a g5 or h4 bishop against a d8 queen, and the pinning side then advances a pawn to e5 or a knight to d5.

Experts are so conditioned to guarding against flank pins that the rarer case of a central pin on the long diagonal may catch them unawares. This classic example is by Britain's first grandmaster against a player widely considered a future world champion (A. Miles, White; V. Anand, Black; Rome 1950).

1 d4 d6 2 e4 g6 3 e3 Bg7 4 Nc3 Nf6 5 Nf3 0-0 6 Be2 e5 7 0-0 Nbd7 8 Bg5 Qe8 9 h3 exd4 10 Bxd4 Nxe4? Failing for the pin. Black should try Bd7-c6.

Leonard Barden

BRIDGE

Today's interesting hand comes from rubber bridge:

N  
♠ A Q 5 3  
♥ K J 5  
♦ K 7 2  
♣ A 6 4  
W  
♠ 10 8 6 2  
♥ 6 4  
♦ A J 10 6 5  
♣ J 9 5 2  
S  
♠ A Q 9 7 4  
♥ A K 2  
♦ K 4  
♣ K 8 7

North dealt with neither side vulnerable and opened with one no trump, promising 16-18 points. South responded with three spades, and North made the correct rebid of four clubs. This bid accepted spades as trump. South in turn showed his heart control by bidding four hearts, and North cue-bid his king of hearts. Holding a singleton diamond, South jumped to six spades, which closed the auction.

West opened with the heart ten, taken by the ace, and declarer played the four of spades. West showing out. That was most annoying - he

could not ruff a club in dummy, if the suit did not break. South decided to rely on the 3-3 club break, unless the diamond ace was with West. He drew trumps in four rounds, finishing in hand, then led his low diamond, putting up dummy's king. East held the ace, and led back another diamond. The declarer ruffed with his last trump, and ran his clubs, but West had four, and so the slam was lost.

Let us replay the hand. After winning the heart ten, we cash the king of spades, and learn the bad news. We note the two possibilities - a favourably placed diamond ace, and a 3-3 break in clubs, but we see a better way. That over-enthusiastic dummy reversal is the winning line. We lead our diamond four, and the king is taken by the ace. East leads back the four of hearts to dummy's king, and we ruff a diamond in hand. We cross to club ace, ruff dummy's last diamond, and draw the trumps with knave, queen, and ace. On the last spade we discard the eight of clubs, and our hand is good.

E P C Cotter

CROSSWORD

No. 8,168 Set by ADAMANT

A prize of a classic Pelikan Souvenir 800 fountain pen, inscribed with the winner's name for the first correct solution opened and five runner-up prizes of 500 Pelikan vouchers. Solutions by Friday June 16, marked Crossword 8,168 on the envelope in the Financial Times, Number One Southway Bridge, London SE1 9HL. Solution on Saturday June 19.

1 Across  
2 Down  
3 Across  
4 Down  
5 Across  
6 Down  
7 Across  
8 Down  
9 Across  
10 Down  
11 Across  
12 Down  
13 Across  
14 Down  
15 Across  
16 Down  
17 Across  
18 Down  
19 Across  
20 Down  
21 Across  
22 Down  
23 Across  
24 Down  
25 Across  
26 Down  
27 Across  
28 Down  
29 Across  
30 Down  
31 Across  
32 Down  
33 Across  
34 Down  
35 Across  
36 Down  
37 Across  
38 Down  
39 Across  
40 Down  
41 Across  
42 Down  
43 Across  
44 Down  
45 Across  
46 Down  
47 Across  
48 Down  
49 Across  
50 Down  
51 Across  
52 Down  
53 Across  
54 Down  
55 Across  
56 Down  
57 Across  
58 Down  
59 Across  
60 Down  
61 Across  
62 Down  
63 Across  
64 Down  
65 Across  
66 Down  
67 Across  
68 Down  
69 Across  
70 Down  
71 Across  
72 Down  
73 Across  
74 Down  
75 Across  
76 Down  
77 Across  
78 Down  
79 Across  
80 Down  
81 Across  
82 Down  
83 Across  
84 Down  
85 Across  
86 Down  
87 Across  
88 Down  
89 Across  
90 Down  
91 Across  
92 Down  
93 Across  
94 Down  
95 Across  
96 Down  
97 Across  
98 Down  
99 Across  
100 Down

16 Provide the workforce at broken sewer - that's official (6)  
17 Growing sign of Islam (6)  
22 Country where the bear is running wild (6)  
23 Just food (6)  
25 Fix the microphone on the French horn (6)  
27 Look over the hotel? Then take a bath (4)  
Solution to Puzzle No.8,167

DEPOSE PAMPER  
R R E D A E  
R A P I D S C O R E C T  
K V G W P A U  
R E C O M P L E M E N T G A R D  
A I I F S B  
G R E E N R E M I N D E R  
E Y I A N  
U N D E R S T A N D I N G  
E R E N D  
A R T I A D I S P E N S A R Y  
A B A S T C A  
S T A M I N A D I P O S I T E  
E U C S N E  
D A S H E D W E N D E L

Solution and winners of Puzzle No.8,167

1 He ran swift as a deer, but he won't win (5-2)  
2 Across able to be cultivated with broad (6)  
3 In the afternoon work up to the show (4)  
4 With the debate with an open air talk (6)  
5 First class class saver for the person in charge (10)  
6 Carry out research on having the luncheon voucher in currency (5)  
7 In labour for instance one achieves equal status (6)  
8 Lost out over English westmen (5)  
9 To him lots of things mean business (10)  
10 Ration on an acute call going astray (9)

11 He ran swift as a deer, but he won't win (5-2)  
12 Across able to be cultivated with broad (6)  
13 In the afternoon work up to the show (4)  
14 With the debate with an open air talk (6)  
15 First class class saver for the person in charge (10)  
16 Carry out research on having the luncheon voucher in currency (5)  
17 In labour for instance one achieves equal status (6)  
18 Lost out over English westmen (5)  
19 To him lots of things mean business (10)  
20 Ration on an acute call going astray (9)

21 He ran swift as a deer, but he won't win (5-2)  
22 Across able to be cultivated with broad (6)  
23 In the afternoon work up to the show (4)  
24 With the debate with an open air talk (6)  
25 First class class saver for the person in charge (10)  
26 Carry out research on having the luncheon voucher in currency (5)  
27 In labour for instance one achieves equal status (6)  
28 Lost out over English westmen (5)  
29 To him lots of things mean business (10)  
30 Ration on an acute call going astray (9)

31 He ran swift as a deer, but he won't win (5-2)  
32 Across able to be cultivated with broad (6)  
33 In the afternoon work up to the show (4)  
34 With the debate with an open air talk (6)  
35 First class class saver for the person in charge (10)  
36 Carry out research on having the luncheon voucher in currency (5)  
37 In labour for instance one achieves equal status (



**M**Y HOST at a recent dinner party came forward to kiss me. He aimed for my right cheek; I went for his left. We changed course at the same instant, and for a while stood shifting our heads from side to side before he landed a kiss on the edge of my mouth.

A fellow guest, a woman I knew slightly, put out her hand to be shaken just as I was advancing for a kiss. Two others were introduced: one held his hand out, one did not. The hostess called out a verbal greeting from the sofa.

We in Britain are suffering a crisis of uncertainty over how to greet each other. No contact at all? A handshake? A kiss? Two kisses? Which cheek first? Should you make a smacking noise with your lips as if to parody the whole act? Should your lips touch their cheek, or should you just bump jawbones?

Until recently, kissing was confined to lovers, family, the young or to Europhiles. That is no longer

## You must remember this . . .

*A kiss is just a kiss, says Lucy Kellaway, unless it's a handshake, hug, or bow*

the case: Teresa Gorman and Peter Shore, who are none of the above, were seen not long ago giving each other a kiss in the lobby of the House of Commons. It seems anyone can kiss anyone; the problem is that there are no ground rules.

A good system of greeting should be a) clearly understood by everyone b) in tune with national characteristics c) relatively quick and simple to operate and d) stable over time. The British system fails on all counts.

Other countries fare better. Some nations are more kissy than others, but at least all know how they are supposed to behave. In France the number of kisses rises as you go down the social scale: the upper classes kiss twice, the middle class

three times and the working classes four times. Upper class men will kiss a woman's hand, but not if she is young and unmarried, and never in a public place. Above all, their lips and the lady's hand must not meet.

"Kissing is a tribal custom - and you always know what tribe you are in", says Patrick de Jacques, London correspondent for *Les Echos*. In Italy it is also a tribal thing: male members of the Mafia kiss on both cheeks, other men do so at their peril. The former prime minister Giulio Andreotti was allegedly spotted doing just that with a well known mafioso - a kiss which is now being counted as evidence against him.

The Germans are compulsive hand-shakers, the Dutch kiss three times as do the Flemish-speaking Belgians, whereas the French-speaking ones kiss twice. The problem with these continental systems is that they are too time consuming, as each member of a group has to exchange the required greeting with every other member.

The Japanese method is both simpler and quicker: they do not kiss at all, neither do they touch flesh. The polite greeting is a bow, and even this is reserved for strangers and superiors.

The US system falls as it changes with fashion. Until recently a firm handshake was the required greeting everywhere. Lately, the smart set on the East Coast have started kissing each other, and New York

has even developed the famous "Manhattan Air Kiss", in which no contact is made lest it disturbs the make up worn by society women.

In Washington the new greeting is a hug. Since President Clinton hugged Al Gore at the inauguration and gave an even bigger one to the poet Maya Angelou, young political hopefuls have been seen wrapping their arms around each other at the smallest excuse.

In all countries the consequences of a misjudged kiss can be serious. In Kuwait a peck on the cheek in a public place can land you in prison, and in the US a man kissing a woman in a business setting could be charged with sexual harassment. In Britain at the very least it makes for a sticky beginning or

end to a social gathering. Two male colleagues admit to having absent-mindedly kissed the husbands of guests in the general flurry of kissing that follows a successful party.

So how to avoid such problems? Lesley Kark, chairman of Lacie Clayton, the finishing school, says that if in doubt on any point of etiquette, you should ask. However, it is not always practicable to discuss whether you should kiss someone before doing so, especially as the person you ask may not know the answer themselves.

The reason the British are making such a meal of kissing is that we are not tactile people. Let me suggest an alternative way of greeting better suited to us: look the other person in the eye, smile where appropriate and say "hello".

That meets all the criteria: it is clear, quick, does not offend against our nature, and many people have been doing it for decades. I plan to try, even if the word gets muffled as someone puts their cheek to my mouth.

## Fat of the land

*Michael Thompson-Noel*



NATURALLY I was called in to see Kenneth Clarke, Britain's new chancellor of the exchequer, this week, and a rich experience it proved. Also highly fattening - and superbly entertaining, for the chancellor is a trencherman and a voluptuary, a man whose talk is spattered with bursts of florid poetry and football scores and tales from the music halls - a tribute to the people, if ever I met one.

On one side of his desk stands an enormous walnut sideboard graining with concoctions - mainly rustic ales and ciders from Lincolnshire, Nottinghamshire, Warwickshire, Herefordshire, Yorkshire, Cornwall, the highlands and lowlands and off-lying isles.

On the other side of his desk stands another enormous walnut sideboard bearing tureens of soup and a display of traditional foodstuffs - Glamorgan sausages, Bradenham ham, *wyau Yngs Maw* (Anglesey eggs), cucumber ragout, parsnip and shellfish salad, soft-roast tart, jellied eel mousses with watercress sauce, Hallowell pudding, St Valentine's syllabub.

Help yourself, old chap, said the people's tribune. So I filled my plate with food such as pudding of capon neck with gilet gravy, and crunched and munched heartily while the people's tribune vouchsafed to me his feelings and higher mental processes.

I feigned surprise when the new chancellor declined to discuss what

## HAWKS & HANDSAWS

he calls the "technicals" - inflation, GDP, sterling, prices, job losses and certain aspects of Kondratieff cycle theory that I thought might appeal to him - on the grounds that he has only just got his scuffed suede shoes under the desk at the Treasury and is not yet ready for full-blooded debate with someone like me, duplicitous and odious.

The technicals are fine, he said, or will be quite shortly when I have climbed on top of them, mastered my brief, banged a few heads together and assured the nation, on primetime TV, that the only problem with Britain is media scaremongering and misrepresentation, people like you, duplicitous and odious if superficially charming. Have some more capon neck. Do try the syllabub.

I said: I thought we were in Queen Street.

Nonsense, guffawed the chancellor. Balderdash and codswallop. You make things up. You ought to be taking pills. What an imagination. The only problems Britain has are inside your head. Look at Wednesday's Epsom Derby. A magnificent national festival. The Queen looking radiant. Ditto the Queen Mother. A record £754,300 in prize money and a titanic pulsating win for Commander in Chief which quickened like a good 'un, a legend in the making - another feather in the cap of his sire, Dancing Brave, which I believe I recall you profiled once.

I said: Dancing Brave's in Japan. He was cast out and exported. In any case, Wednesday's Derby was another national calamity. There was a hot-shot favourite, Tenby by name, which was backed to odds-on - thanks to the racing media: what a dozy lot - and finally finished tenth, enriching the bookies by millions. The amount of money lost by poor people on Tenby, chancellor, was just another nail in the national coffin.

Get along with you, roared the chancellor. As you've just admitted, the only reason that Tenby was odds-on was because a lot of stupid racing hacks who couldn't pick a winner if it was named, was etched in letters of flaming gold, 1,000ft tall in the sky above Newmarket said he should be favourite. Let me repeat myself: the only thing wrong with Britain is media scaremongering and misrepresentation - plus incompetence. Have you tried the goose? If you open that drawer you'll find a first-rate piece of Stilton.

I said: What about our institutions? From the monarchy and parliament down they have all been exposed, during the low tide of recession, as the blackened and rotting piles of a crazily-tilting ship. What is the government doing about it?

There you go again, beamed the chancellor. You set one hare running and then you set another in an endless, senseless flip-flop of non-sequiturs. Slow down. Keep calm. We have put the recession behind us. We have sacked Norman Lamont. John Major is a broken man. I am now in charge. And what I say to you is - have you tried the wood-pigeon with chestnuts and cabbage? A supremely English dish. Goes particularly well with cider.

Private View/Christian Tyler

## The actor who reclaimed his crown

**W**HAT IS an actor? Someone who is not a bank manager or a hairdresser. What else? A man like any other - a bundle of habits and attributes surrounding a vulnerable self.

When an actor has scaled the heights of his profession, as Robert Stephens has, the world wants to know what the man inside is like. When he has also surveyed the depths, it turns him into the hero of his own morality play.

It is easy - too easy - to contrast the public and the private person. On stage, Stephens has a huge presence and an exuberant confidence that borders on the reckless. At home he is self-effacing, sweet-natured and trusting in an almost childlike way.

In company he can be garrulous yet elusive, metaphorically diving into the dressing-up box to put on another cloak for another character. Or he will just switch off and drift silently away.

He talks appreciatively and at length about other people, very modestly and awkwardly about himself. A personal question is likely to be answered with an anecdote, no detail omitted, in which the full range of his actor's voice - melodious, highly-inflected, now drawing, now rushing - is exploited to divert you.

Stephens, the ladykiller with film star looks, arrived at the Royal Court theatre in London in the mid-1950s moved to the National Theatre in the early 1960s and took the town by storm. Before long he was being talked about as the man to inherit Olivier's crown, both as actor and head of the company. It led to Olivier rejecting him. Then his marriage to another rising star, Maggie Smith, failed and Stephens, always one for the high life, hit the bottle.

His career sagged into minor roles and bit-parts for film and television. He did not exactly disappear from the theatre - he had seasons at the National in 1978 and 1983 - but his name faded from the public mind. Then two years ago the Royal Shakespeare Company's director Adrian Noble (who as a boy had seen Stephens' famous performance as Athaliah in *Royal Hunt of the Sun*) asked him to play Falstaff.

The man might have gone astray but the actor was as potent as ever. His Falstaff won him last year's best actor prize in the Olivier Awards. Two weeks ago, the critics were back at Stratford to see his *King Lear*. If some questioned the interpretation all agreed that Stephens was moving and magnificent.

Lear resumes on Monday. I went to see the protagonist, who was hobnobbing round his London flat suffering the after-effects of an infected foot. Despite a series of medical mishaps, I found Stephens looking almost unrecognisably young; at 61, he has become handsome again.

At first he was reluctant to call

his recent success a come-back. But he agreed eventually, saying: "It's nice to know you can still get up there and do it."

After he had described all the factors that had contributed to his absence I asked him: don't you blame yourself for being out of the picture for so long?

"Well, I do. Because I think I got lost. I lost my ambition. I lost my... because of the failure of the marriage, because of the ending of my relationship with Olivia. I felt a bit bereft of many things. And also I lost my direction."

I tried to get Stephens to talk about himself. You are very modest aren't you?

"Yes, very."

Are you too nice for theatre politics?

"Yes. It is very difficult; I've tried to do it several times. If you're not careful you can get let down very badly by people."

A very trusting person?

*Robert Stephens is back at the centre of the English stage. He talks about the perils of being 'too much yourself'*

"Very." He described a West End venture which had collapsed. He had been misinformed and badly advised, he said. "I was naturally shattered by that experience."

A deeper blow was the ruction with Olivier, a father figure with whom he had spent the best eight years of his acting life.

"He was my great symbol, someone I aspired to, not only as an actor, but as a man, as a friend, as a companion, as someone to be with, to talk to, whose company was always incredibly engaging, fascinating."

As Olivier's associate director he found he had become a pawn. "When you didn't agree with him you got the old cobra eye for about a week. He didn't like the word No. He was the kind of person who would allow nobody to make decisions but himself. I was given an office and secretary but I didn't have anything to do."

I asked if he was ambitious about acting but not competitive.

"I never have been. I don't understand it. He added that he was 'very cross' about stories that he had been jealous of Maggie Smith's success. "That was completely untrue. I've never felt jealous of an actor or actress. You can't be them. I was thrilled for any success she had because it was deserved. She is a genius as a comedienne. You get cross when you see somebody with

no talent become very successful, irritated that they've got away with it somehow."

Do you need a lot of supporting as a person or is that true of all actors?

"I think it's very much the kind of person you are. I've always worked my best in a company atmosphere. I think it's conducive to better work: you get to know their little ways. Also to work with directors you trust."

It seemed unfair to ask Stephens now to talk about his famous appetite for women and drink when he has been living happily with the actress Patricia Quinn for over 15 years and has stopped boozing.

"Certainly as a young actor I did abuse the drink for a time," he said. "I was very unhappy and going through a bad period. But when I was young all actors drank. Now there are vintage waters. He scoffed. "If you get taken out by an American producer and order a drink they look at you as if you are a bit odd. Faddism."

"What happens, and it's a bad thing because it creeps up on you, is when you become a habitual drinker. Your system becomes used to it. Then if you're not very careful, which is what happened to me, it begins to affect your health."

What about women? You were very popular with the girls...

"I enjoy the company of women, always have done, and that can get you into trouble. I think when I was married to Maggie - you can't blame people if things go wrong - I was very much on a high and as the marriage seemed to be failing you stupidly start playing the field."

Was it the sex or the admiration...?

"...and adulation. There are men who feel it is necessary to conquer every woman who steps into their line of vision. But that's a kind of mental problem - the Don Juan complex. I always despised people who have no respect for the other person at all."

Do you fall in love at the drop of a hat?

"Yes. And of course that is extremely dangerous. Any advice I would give to a young blade is you must always be absolutely sure that you're not going to hurt anybody."

Stephens has reason to feel strongly about rushing into wedlock. His parents, a working-class couple in Bristol, married, he suspects, only because his mother was pregnant. His childhood was very unhappy because he felt, or was made to feel, to blame for his mother's own unhappiness.

He spent a lot of time at the pictures and it was there watching the cowboys and Indians that the actor was born. "I thought: Oh, I would like to do that! I would like to be somebody else."

"It was like the desire to play games, I suppose. That's all acting is really. It's a grown-up playing cowboys and Indians or gangsters. But leading actors are not born

every day. What makes them?

"An aspiration to do something, an ambition to play great parts, a certain daring, a certain courage to believe that you can go on and convince others you are somebody else. But I think there is a lot of nonsense talked about it... though of course a bank manager can't go on to the stage or screen and kiss somebody else's wife or shoot somebody."

I think the great thrill of it is: you stand on the stage before the play begins and the lights go down in the auditorium - at Stratford there are 1,500 people - and you don't know any of them, where they've come from, whether they want to be there or not being dragged by their wives, whether they've just got divorced, whether they have just lost their father - you know nothing about them."

"When the lights go down on them and the curtain goes up on you you have to convince them in a split second that for the next two and a half or three hours they're going to have a jolly good time in your company, that they're quite safe, that nothing awful's going to happen, and they will go out feeling a bit better than they felt when they came in."

"In fact it's a sense of power. That's why I think acting on stage is much more interesting than acting in films."



Picture: Tony Andrews and Alastair Muir

It's a perilous profession, I said. Can you imagine having done anything else?

"No, I mean, I've directed a little, but you have to plan your life so well..."

Outside the theatre, I mean.

He answered without hesitation. "I would like to either have been a hairdresser or a dentist."

Why a hairdresser?

"I suppose because they're so garrulous. Also they have to put on some kind of performance for all their clients... as do dentists."

What does an actor do after *Lear*?

Stephens would dearly like to play Uncle Vanya, or Willy Loman in

*Death of a Salesman.*

I asked him if there was a moral in his story.

"Yes, a man once said to me there is one thing you ought to be, or try to be, in your life. Try to be circumspect. Don't jump until you're absolutely sure what you're jumping for. Because of your generosity, your enthusiasm for things you can jump on the wrong bandwagon or carry the wrong person and jump the wrong side of the fence."

But could you act the way you do if you were circumspect?

Robert Stephens flashed a big smile. "I think I could be circumspect some of the time."

As They Say in Europe/James Morgan

## Keeping the coolie in a crisis

**T**HE BIG Euro-event of the week came on Tuesday when the *Financial Times* got three top editors to put their point of view on "whither Europe". There was Rolf Schmidt-Holtz of *Stern*, Claude Imbert of the French business magazine *Le Point* and Kelvin MacKenzie of *The Sun*. Of the three Schmidt-Holtz was certainly the most balanced in his formulation of where Europe stood today. Germans always talk good sense in public.

It was the British and French contributions that struck a nice counterpoint. On one side was a typical illogical xenophobia, on the other the clear exposition of national interest and attitudes from MacKenzie who asked key questions like "can we trust the Belgians?"

Imbert said he wanted to abandon what he called the absolutism of free trade. This was the "doctrine established in our most glorious period of economic growth, when the coolies of Asia were restricted to pulling rickshaws; the coolies now sit at computer screens." He also argued that the globalisation of

commerce "brutally concentrates the production of rich countries in the least labour intensive industries." This destroys small and medium-sized business, "submerged by countries which offer their work forces no social protection and pay them wages 20 or 30 times lower than our levels."

This imperialism masquerades as social concern. It weeps for sweatshop coolies in front of their computer screens who work till they drop dead because they have no pension, but adds that the poor should not be so rich because they are poor, and they must not be allowed to change that because if they do it will be at our expense.

"Social provision" is the Euro-mantra of today. Our unemployment benefits show what a caring society we have and mark us out

from the poor. But jobs too are "social provision" and the economy which has proved itself least able to create jobs is that of France. And we are supposed to believe that is the fault of countries like Malaysia.

Malaysia is an archetypal low-wage poor country, "doing Europeans out of jobs." Unemployment is 10 per cent, well officially anyway. Life expectancy is 70 years, more than 75 per cent of adults are literate and infant mortality has been cut by 90 per cent since independence in 1963. These achievements have been gained not through "social provision," but the efforts of "coolies behind the screens."

In the orthodox French view this is terribly wrong: Malaysia's growth has been based on doing somebody else out of a job. One can, therefore, only marvel at the way French

exports to Malaysia have grown steadily over the past 10 years. On the other side of this trade account, Malaysia now controls more than 0.25 per cent of the French import market. It is against this threat that the trade barriers have to be raised.

Imbert also said that the EC provided a common market that was large enough to guarantee competition and innovation at its heart. He concluded that the protective systems of the Common Agricultural Policy should be made available to other sectors. By mysterious means, I have come upon a fragment of a conversation between Senator Smoot and Congressman Hawley from 1929 which started with the former's observation, "I think, my friend, that no clean cut all-American worker should be dilled and doddled out of his job by

wine-swilling, boozed up Frogs, Krauts and Limeys and their sly turin' ways."

"You are quite right, Senator Smoot. We can produce every blamed thing we want right here in these United States."

So the Americans gave us the Smoot-Hawley tariff act and its descendants, fascism, global poverty and world war.

The underlying assumption of Imbert's view is that crooked employers in poor countries are grabbing an unfair share of the world market. Yet the total value of French exports is greater than those of Africa, Latin America and the Caribbean put together. The French have always been wrong on international trade policy and even made a mess of it when they thought they had played an ace in

creating the CAP back in the 1960s. They thought the Treaty of Rome's advantages for German industry were balanced by guaranteed excess profits for French agriculture.

But as Jim Rollo of the Royal Institute of International Affairs points out, the CAP saved German agriculture by imposing high prices which ensured its uncompetitive farms could survive. Low prices would have driven the Germans, and eventually the British, out of the farm business and given France what it deserved, the position of food supplier to the Community. But that would have implied a competitive marketplace which France could not accept even when it was in its interests.

This week European ministers agreed on more barriers to immigration into Europe from poor countries. And there was another French demand for barriers to their exports. Thus we protect Europe's "high level of social provision" whose greatest monument is the unemployment giro cheque.

James Morgan is economics correspondent of the BBC World Service.

Weekend  
Inside section  
SIB unlikely to publish report  
US fears international  
BAA accused over  
Waburg cardinals  
Bundesbank attack  
Close fight in Spain  
Cambodian government  
BA flights disrupted  
Further losses on  
FTSE 100  
Dunhill Holdings  
Ferruzzi Financial  
Chief Smith associated  
Belmont soldier sent  
Rahman deftly  
STOCK MARKET INDICES  
IN LUNCHTIME PAGES  
LONDON MONEY  
NORTH SEA OIL  
For customer service  
other general enquiries  
THE FINANCIAL TIMES